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TRANSLATIONS ON VIETNAM  
No. 1940  
NGUYEN DUY TRINH REVIEWS  
1954-1975 PERIOD IN THE NORTH

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### 1954-1975 PERIOD IN THE NORTH

Hanoi MIEN BAC XA HOI CHU NGHIA TRONG QUA TRINH THUC HIEN HAI NHIEM VU CHIEN LUOC Su That Publishing House, 1976; 15,180 copies printed at the Hoc Tap Journal Printing House; printing completed on 15 March 1976.

[Book by Nguyen Duy Trinh]

[Text] Publisher's Introduction

At the Conference of Middle and High Level Cadres (September 1975) convened by the Party Central Committee to disseminate the resolution of the 24th Plenum of the Vietnam Lao Dong Party, Nguyen Duy Trinh, member of the Political Bureau of the Party Central Committee and deputy premier, talked about "The Situation in Northern Vietnam from 1954 to 1975 and the Immediate Tasks of the North in the New Stage of the Revolution." This speech helped the delegates attending the conference gain a more correct and fuller understanding of the situation and task of the North in the past as well as at the present and gain a better understanding of the spirit and content of the resolution of the 24th Party Plenum.

With the permission of Nguyen Duy Trinh, we recorded this speech and published it in book form under the title "Mien Bac Xa Hoi Chu Nghia Trong Qua Trinh Thuc Hien Hai Nhiem Vu Chien Luoc" [Socialist Northern Vietnam in the Process of Carrying out the Two Strategic Tasks].

We respectfully present this important book to the comrades of the entire party and all readers.

January 1976  
Su That Publishing House

Dear Comrades,

Today, I would like to present to you the major aspects of northern Vietnam's situation since it was totally liberated and began the period of transition to socialism.

When we say northern Vietnam's situation, we mean how the North has carried out these two strategic tasks of our country's revolution: the strategic task

of resisting the United States for national salvation and the strategic task of the socialist revolution and socialist construction.

When discussing socialist construction, it is necessary to discuss economic construction and cultural development, which include the matters of the implementation of plans and economic management.

Of the matters mentioned above, some which we have not yet participated in might be difficult to understand. Our party is in political power throughout the country; however, in the North, the scope of the party's leadership of the government is more comprehensive and the government has been deeply involved in state management and economic management, consequently, these activities are more highly developed. In the South, the government has primarily been involved in directly leading the war of resistance against the United States and its lackeys; therefore, state management is not as comprehensive and economic management is even less developed. As a result, if some aspects of the matters I discuss are not very clear to those of you who are from the South, please be understanding. We will have an opportunity to delve more deeply into these matters.

My presentation to you will primarily deal with the situation in the North. Here, it is not my task to brief you on the resolution; this will be done by Le Duc Tho. However, this presentation is designed to help you, now that you have gained an understanding of the situation in the South in the recent past, to gain a better understanding of the situation in the North.

Only with this better understanding is it possible to have a general, comprehensive view to serve as the basis for more easily comprehending the resolution of the 24th Party Plenum.

In addition to the introduction and conclusion, this presentation consists of two major parts:

--The basic situation of the North from 1954 to 1975;

--The task of the North in the new stage.

#### Introduction

Following the 1954 Geneva Convention, our country was temporarily partitioned.

As analyzed by the 3rd National Congress of the Party, two different situations existed in our country: the North had completed the people's national democratic revolution and entered the period of transition to socialism; the South was still under the ruling yoke of imperialism which began with the French imperialists and continued with the U.S. imperialists and their traitorous lackeys, the feudal landowners who were later joined by the bureaucratic and militaristic compradore bourgeoisie. These situations caused two different political and social systems to develop in the two zones of our country. As a result, the Vietnamese revolution had two different strategic tasks.

The 3rd Congress of the Party held in 1960 set forth the general line of the revolution throughout the country and the strategic tasks of each zone. The resolution of the 3rd Party Congress stated:

"Under the leadership of the party, the North is steadily advancing to socialism, strengthening its forces in every respect, becoming the fortress of the entire country's revolution..."

Advancing the North to socialism and making it increasingly strong in every respect will provide more favorable conditions for the liberation movement in the South, the development of the revolution throughout the country and the maintenance and strengthening of peace in Indochina, Southeast Asia and the world. Therefore, carrying out the socialist revolution in the North is the task of most decisive importance in the development of the entire Vietnamese revolution, in the effort to reunify the country."(1)

Concerning the revolution in the South, the resolution of the congress observed:

"In the effort to complete the people's national democratic revolution throughout the country and achieve the reunification of the country, our compatriots in the South have the task of overthrowing the role of the U.S. imperialists and their lackeys in order to liberate the South..."(2)

With regard to the relationship between the two strategic tasks, the resolution of the congress pointed out:

"The revolutionary task in the North and the revolutionary task in the South reflect two different strategies; each task is designed to meet the specific requirements of each zone under the circumstances of the temporary partitioning of the country. These two tasks have the purpose of resolving the contradiction which exists throughout our country between our people and the U.S. imperialists and their lackeys and achieving the immediate, common goal of the peaceful reunification of the fatherland."(3)

For 15 years, our entire party, our entire army and all our people made every effort to carry out these tasks. Now, the South has been totally liberated. The entire country is independent, free and reunified. The resolution of the 24th Party Plenum set the task of the new stage of the revolution in our country as completing the reunification of the fatherland and rapidly, strongly and steadily advancing the revolution of our entire country to socialism.

The new task of the revolution throughout the country raises the objective requirement of evaluating the course of the North over the past 21 years, presenting the basic experiences (although only initial experiences) gained in carrying out the socialist revolution and socialist construction in the North and determining the position and role of socialist northern Vietnam in the advance of the entire country to socialism.

In the past, we made every effort to build and strengthen the North and make the North worthy of being the base of the revolution throughout the country,

that is, the base of the effort to liberate the South and the place from which we could fulfill our international obligation to the revolutions of the two countries of Laos and Cambodia. Now that the entire country is advancing to socialism, we must objectively and correctly evaluate the situation in the North over the past 21 years and begin drawing major experiences. Then, we must continue to review the experiences that have been gained so that the work which we must perform in the South has the benefit of good experiences, avoids experiences which are not good and moves steadily forward.

Thus, how has the North carried out its strategic tasks over the past 21 years? What have its achievements and shortcomings been? What experiences can be gained on this basis? The understanding which the mass of cadres and people have of these matters, although it reflects basic agreement and a correct evaluation, is not without differences, not without deviationist evaluations or even a few very incorrect evaluations.

Our evaluation must be made in a revolutionary and scientific spirit; it must be an evaluation which is impregnated with the essence of the communist party, fully analyzes both advantages and difficulties, sees all achievements and the reasons for them, sees all shortcomings and their causes and, on this basis, sees the course to be followed and the methods to be employed in order to develop upon these achievements, rectify these shortcomings and move forward.

Unilateral praise to the effect that our entire undertaking and all our work in the North have been completely successful is incorrect. This is nothing more than flattering propaganda, onesided optimism, a shallow form of praise, consequently, it is obviously below the stature of a victory and is not at all persuasive. This is because although we have recorded achievements, we also have shortcomings. That which is a basic victory must be correctly evaluated; that which is not, must be realized, as must the degree of magnitude of our shortcomings so that we can rectify them. Unilateral praise does not build the enthusiasm of cadres and the masses nor does it point out good revolutionary experiences.

Conversely, only seeing our shortcomings and complaining about them at times when we are encountering difficulties with the economy, difficulties in our everyday lives or difficulties in the maintenance of order and security, and so forth reflect a mistaken point of view, an irresponsible attitude, the consciousness of individualism, and the method of thinking and point of view of backward members of the masses who sometimes are unwittingly influenced by the arguments of the enemy and only cause harm while never making any contribution whatsoever to proper, accurate criticism in order to determine the reasons for shortcomings and ways to correct them.

There is a third mistaken point of view, the conservative point of view. The conservative obstinately maintains that every job of his sector, locality or unit is a good job, he has no noteworthy shortcomings or only very small and minor ones and there is no need for improvement in any of the things he does because he has been doing them the same way for a long time. This is also an incorrect point of view, one which lacks the spirit of responsibility and

the spirit of criticism and self-criticism of the communist, one which is detrimental to work.

In the process of preparing for the 4th National Congress of the Party and during and after the congress we will comprehensively and systematically evaluate the situation and review the experiences of the revolution in the North, the South and throughout the country.

This presentation can be considered an initial effort in helping you study and gain a thorough understanding of the resolution of the 24th Party Plenum. While evaluating the situation in the North over the past 21 years, this presentation is based on the resolution of the 3rd Party Congress and the resolutions of the various party plenums, especially the resolutions of the 19th, 20th, 22nd and 23rd plenums and even the resolution of the 24th Party Plenum.

What is the basic viewpoint we take in evaluating the situation? It is the viewpoint of Marxism-Leninism. Here, I would like to repeat one short but very significant sentence written by V.I. Lenin in his work "The State": "The most reliable thing in a question of social science and one that is most necessary in order to truly acquire the habit of approaching this question correctly and not allowing oneself to get lost in the mass of detail or in the immense variety of conflicting opinion--the most important thing if one is to approach this question scientifically is not to forget the underlying historical connection, to examine every question from the standpoint of how the given phenomenon arose in history and what were the principle stages in its development, and, from the standpoint of its development, to examine what it has become today." (4) This is the method of V.I. Lenin. Surely, many of you have read this work but I did want to repeat this passage. In another passage, V.I. Lenin said: once a problem has been recognized, it is necessary to determine how it appeared and what its cause was in order to find a way, in the spirit of self-criticism, to rectify it. This is the only correct standard of the communist.

With this as our viewpoint, let us examine the basic situation of the North over the past 21 years.

Part 1: The Basic Situation of the North from 1954 to 1975

In this part, I will discuss four matters:

First, reviewing the course of northern Vietnam over the past 21 years:

To begin with, we will examine what the North has accomplished in the implementation of the various resolutions of the Party Central Committee and examine how the Party Central Committee has supplemented or developed its basic line and tasks in this course;

Then, I will discuss the fundamental characteristics of the North on entering the period of transition and the changes in these characteristics;



The conclusion of part 1 will detail the various periods the North has experienced in the past 21 years.

Secondly, what did the North do in the resistance against the United States for national salvation, its own defense and the liberation of the South?

Thirdly, how has the North carried out the socialist revolution and socialist construction? What have been our achievements and shortcomings?

Fourthly, there are several general observations of the situation in the North over the past 21 years.

## I. The North in the Course of the Past 21 Years

### 1. The lines and positions of the party concerning the North.

Above, I spoke in general terms about the revolutionary tasks set forth by the 3rd National Congress of the Party (1960); here, I will discuss them in greater detail but only with respect to the important matters raised by the 3rd Party Congress and then compare the several party plenums and the resolutions of these plenums to the resolution of the 3rd Party Congress in order to clearly see how the party has supplemented and developed its lines and positions.

The resolution of the 3rd Congress of the Party which set forth the general line of the party during the period of transition to socialism in the North contained a section which stated: "We must use the people's democratic government in its performance of the historic task of the dictatorship of the proletariat to carry out the socialist transformation of agriculture, the handicraft trades, small-scale commerce and private capitalist industry and commerce; develop the state-operated economic segment and carry out socialist industrialization by giving priority to the rational development of heavy industry while making every effort to develop agriculture and light industry; accelerate the socialist revolution in ideology, the culture and technology; and transform our country into a socialist country which possesses a modern industry, modern agriculture and progressive culture and science."(5)

"The central task during the period of transition in the North is socialist industrialization, the key to which is giving priority to the rational development of heavy industry."(6) Next, the resolution pointed out: "The position of our party concerning socialist industrialization in the North is: we must build a balanced and modern socialist economy, coordinate industry with agriculture, use heavy industry as the foundation and give priority to the rational development of heavy industry while making every effort to develop agriculture and light industry in order to transform our country from a backward agricultural country into a country which possesses a modern industry and modern agriculture."(7)

After the 3rd Congress of the Party, due to changes in the revolution, the line mentioned above was concretized by the various plenums of the Party Central Committee and supplemented and developed in the resolutions of the Party Central Committee.

Here, I would like to present the two most important supplemental points:

Supplemental point number 1: because the war of aggression of the U.S. imperialists against our country shifted from the "unilateral war" strategy of Eisenhower which used the Ngo Dinh Diem clique to suppress the revolution in the South to the "special war" strategy of Kennedy and then to Johnson's "limited war" strategy against the South plus Nixon's wars of destruction against the North followed by Nixon's "Vietnamization" of the war strategy, the Party Central Committee, beginning with the resolution passed by the 11th Party Plenum in 1965, established the fact that the resistance against the United States for national salvation was the foremost task of our entire party, all our people and our entire army. This was not an issue when the 3rd Congress of the Party was held. Then, the congress only set forth the task of the North, the task of the South and the common antagonism facing the entire country, namely, that the people of our entire country were struggling against the U.S. imperialists and their lackeys to achieve the reunification of the fatherland. A direct war situation did not exist at that time; therefore, the matter of resisting the United States for national salvation as the foremost task of the entire party, all the people and the entire army was not an issue.

The realities of the past decades showed that the North could not only carry out one strategic task but had to simultaneously carry out two strategic tasks: fighting the U.S. pirates in both the North and the South, that is, resisting the wars of destruction in the North and participating in the war of liberation in the South, while carrying out the socialist revolution and socialist construction in the North.

When the war was nationwide in scope, that is, from 1965 until recently, the North and the South--both zones--had the foremost task of resisting the United States for national salvation. This meant that the North could not only perform the task considered to be most important and decisive, namely, socialist construction, but that it had to simultaneously carry out two strategic tasks: the task of resisting the United States for national salvation and the task of socialist construction.

The central slogans implemented in the North were: "Produce and fight at the same time" and "everything for the frontlines, everything for victory."

The 11th Plenum of the Party Central Committee held in 1965 decided to shift the economy of the North from a peace time to a war time footing; at that time, we had just begun the 5th year of the first 5-year plan. Therefore, we actually only completed 4 years of the first 5-year plan. In 1965, we continued the implementation of this plan but under the conditions of the shift of the economy from a peace time to a war time footing.

From then on, all yearly state plans consisted of three tasks:

First, fighting in the North and the South;

Secondly, producing and building in the North;

Thirdly, caring for the lives of the people in the North so that we could insure the performance of our common strategic task.

At the same time, throughout these 21 years, the North fulfilled its international obligation to the Lao revolution and the Cambodian revolution.

On the basis of this first supplemental point--setting the task of resisting the United States for national salvation as the foremost task of the entire party and all the people--we clearly see that the North not only carried out socialist construction and strengthened the socialist production relations in order to be able to care for the lives of the people better, but it also performed the task of fighting in the North and the South while fulfilling its international obligation.

Supplemental point number 2: in the task of the socialist revolution and socialist construction, the line and position of the party were gradually concretized and supplemented.

The 10th Party Plenum, which was held in late 1964, issued a resolution on commerce and prices. However, the first war of destruction occurred before this resolution could be implemented. This resolution, although it dealt with circulation and distribution, also supplemented the common strategic task. It emphasized the need to use the dictatorship of the proletariat in order to, on the one hand, build socialism and complete socialist transformation and, on the other hand, crush the plot of aggression of the U.S. imperialists. Then, the resolution pointed out that in the process of advancing the North to a balanced and modern system of large-scale socialist production, it is necessary to simultaneously carry out the three revolutions, that is, the production relations revolution, the technological revolution and the ideological and cultural revolution, the key one being the technological revolution.

In 1971, the Party Central Committee held its 19th plenum primarily to discuss agriculture in the North; however, after completely analyzing the class struggle, the struggle between the two ways of life during the period of transition to socialism in the North, the fundamental aspect of this struggle was determined to be tightly controlling the dictatorship of the proletariat and strongly upholding the right of collective ownership of the working people in order to carry out the three revolutions. This reflected a further refinement of the general line.

The foremost task of the revolution is to seize political power; once political power was seized, the revolutionary task in our country became that of organizing the working class into the ruling class and establishing the dictatorship of the proletariat. The struggle to resolve the problem of "who defeats whom" is the class struggle, the struggle to carry out socialist transformation and, at the same time, socialist construction. In the process of waging this struggle, we have a new weapon, the government. Therefore, the issue facing our party is that it must build, lead and manage the government well in order to utilize it well in the task mentioned above. In our country,

the National Assembly is the highest agency of power of the state led by the party. The National Assembly elects the government; the people's councils on the various levels elect the administrative committees on the various levels. The Council of Ministers and the administrative committees on the various levels are state administrative agencies, agencies which comply with the will of the people and comply with the positions and policies of the National Assembly and the people's councils. The government is an organization of power which strongly expresses the right of collective ownership of the people.

Upholding the right of collective ownership of the people is the primary element, the main issue of the socialist system of democracy. This first of all involves enlightening the people, giving the people a clear understanding of their rights and responsibilities. The people are organized into such mass organizations as the Trade Union, the cooperative, the Youth Union, the Women's Union, etc. These mass organizations are also links in the chain, elements of the dictatorship of the proletariat system. Therefore, the party must uphold the right of collective ownership by causing the Trade Union to become the school of socialist construction, the school of communism and insuring that the various mass organizations develop the role they play and strongly encourage the masses to exercise their right of collective ownership with a full understanding of their responsibilities and arise to carry out their undertaking. This is the second issue in the leadership of the party.

With regard to the internal activities of the party, the party must be strengthened and must teach and develop the role of party members so that they have a clear understanding of and properly perform their vanguard task within the sectors and on the levels to which they have been assigned by the party to serve as the nucleus of the government, the cooperative, the Trade Union, the Youth Union, etc.

Later, we reached a conclusion that is something like a formula: "The party leads, the people exercise ownership (that is, the working people) and the state manages." It can be said that the dictatorship of the proletariat state is a form of organization for transforming the working class into the ruling class. This state is used to perform the historic task of the dictatorship of the proletariat. Our state's tasks lie in two areas: force, suppression and rule; and organization, construction and management. Only the socialist countries, that is, the countries in which the party is in political power, can fulfill the leadership function of the party, the management function of the state and the ownership function of the masses.

On the basis of this development in the line of the party, we gradually reached the point where the leaders of the party commonly say and we also say "the party leads, the people own and the state manages." This is an addition to the political line.

In the economic line, the resolution of the 19th Party Plenum clearly defined the relationship among heavy industry, agriculture and light industry, the relationship between the central economy (the economy directly managed by the central level) and the local economy (the economy directly managed by the

locality) and the relationship between the economy and the national defense system.

Although the resolution of the 3rd Party Congress discussed these points, we had to search through a long passage of this resolution to find these points raised in this spirit. The contribution made by the resolution of the 19th Party Plenum to the economic line was that it concretized this line so that the rational development of heavy industry is given priority, it is more closely linked with agriculture and light industry, agriculture and light industry (you must give your attention to this point) are the base of heavy industrial development and agriculture and light industry are more closely coordinated in the process of development. The internal relationship of these three factors was more clearly defined. The resolution of the 3rd Party Congress discussed the coordination of heavy industry, agriculture and light industry in the section entitled "giving priority to the rational development of heavy industry while making every effort to develop agriculture and light industry"; however, it did not fully define the internal, organic relationship, the close relationship among these sectors. As regards the relationship between the central economy and the local economy, we basically have a clear understanding of this matter and I will not go into it in detail here. The local economy, especially local industry must make every effort to use the labor and develop the natural resources of the locality in order to develop the economy of the entire country. Agriculture, however, is both a central and local sector, thus, it is incorrect in our economic management to say that agriculture is only a local sector. Agriculture is an economic sector with which the country, the locality and the central level must be concerned.

All of these supplemental points and additional details concerning the line on socialist construction were expressed in the resolution of the 22nd Party Plenum held in 1974. This resolution stated: "We must firmly adhere to the working class stand and continue the struggle between socialism and capitalism, the basic elements of which are: tightly controlling the dictatorship of the proletariat, strongly upholding the right of collective ownership of the working people and simultaneously carrying out the three revolutions, the production relations revolution, the technological revolution and the ideological and cultural revolution, the key one being the technological revolution. We must struggle against the spontaneity of small-scale production, the psychology and habits of the old society, struggle against the ideological remnants of the classes of exploiters and not allow them to compete with and undermine the socialist system."

You will remember that the Party Central Committee raised these issues at a time when peaceful construction in the North had to be accelerated but many negative phenomena were appearing in the society of the North, phenomena against which we had to struggle. These negative phenomena occurred within the fields of ideology and culture, within the management of the state and in the poorly directed and managed development of a few production sectors and the market.

We must advance directly to socialism without experiencing the stage of capitalist development because a people's national democratic revolution led by a communist party absolutely must advance to socialism. The people's national democratic revolution is a stage of transition to socialism, achieving victory in the people's national democratic revolution does not mean that we stop, does not mean the end of the revolution; winning political power, establishing the people's democratic dictatorship are not all that is involved. The objective laws and the leadership of the party must blend: our party must continue to lead our country toward socialism and meet the objective requirements of our country's revolution in a manner consistent with the laws of the development of our society. The course of developing from a backward agricultural economy directly to socialism without experiencing the capitalist stage of development enables our people to avoid the suffering caused by developed capitalism; on the other hand, it causes our people to encounter very many difficulties as they move forward. We have gradually come to see these difficulties clearly, especially in the past several years. As V.I. Lenin said, a backward country which is advancing to socialism "faces countless difficulties which cannot be foreseen."

What are these difficulties?

The most important of these difficulties are economic. According to Karl Marx, the founder of scientific socialism, socialism comes into being first in the developed industrial countries, that is, in the countries which have experienced the capitalist stage of development. V.I. Lenin also said that socialism is the product of the large-scale machine industry created by capitalism. However, there is no developed capitalism in the North and we are bypassing this stage. The material-technical base left behind by the imperialists is insignificant. The structure of production is decentralized and fragmented. The level of production is low. The amount of farmland per capita is only 0.3 mau, that is, only 1 hectare for every 10 persons.

To advance to socialism, it is necessary to have capital, necessary to carry out the accumulation of capital, necessary to carry out industrialization, necessary to perform many jobs in order to upgrade social production to large-scale socialist production and necessary to transform manual labor into mechanized labor. This demands the synchronized development of the entire economy: industry and agriculture, capital construction and communications-transportation, etc. Recently, however, we have encountered very many difficulties in balancing the economy. During the years in which we were not at war, the relationships between production and consumption, revenues and expenditures and exports and imports, although they were imbalanced, were not seriously imbalanced. Since the start of the wars of destruction, due to the heavy damages inflicted upon production capacity and the need to devote our efforts to the war, these imbalances have become increasingly serious, production has not met the needs of consumption, revenues have fallen short of expenditures and exports have been low compared to import requirements.

We have also encountered difficulties due to the lack of experience and ability in economic management and the shortage of management cadres, scientific and

The resolution continued: "Socialist industrialization must be the central task during the period of transition. To carry out this task, we must fully understand and implement the line of giving priority to the rational development of heavy industry on the basis of agricultural and light industrial development, simultaneously carrying out central economic construction and local economic development and coordinating the economy with the national defense system."

One of the guidelines for socialist construction set forth in the resolution of the 22nd Party Plenum was:

"We must display a high spirit of independence, autonomy and self-reliance while seeking international assistance and broadening our economic relations with foreign countries."

"Self-reliance" was not a new point but it was something which the Party Central Committee continued to emphasize. During the several years of the war, a number of factors of our country's economy, such as domestically produced national income, budget revenues from domestic sources, and so forth declined and were imbalanced, thus giving rise to many new difficulties. Among cadres, party members and the people, many persons failed to see the need to practice self-reliance as long as we could rely upon international aid and they waited to see how the fraternal countries were going to help us. It was, of course, proper to seek the assistance of the fraternal countries; however, it would have been a deviation to, on this basis, attach little importance to our own efforts. On the other hand, the Party Central Committee also emphasized that the economy of our country is not a subsistent economy and that our country's economy must develop through its own labor and natural resources; however, it must have relations with the world economy and participate in the international division of labor in accordance with its special characteristics and capabilities. To accomplish this, we have had to understand, understand even more thoroughly in recent years, that to import we must export, only by exporting goods can we import goods; to receive loans, we must repay loans, only by repaying loans can we receive loans. Only in this way can our country participate in international cooperation as an equal and have reciprocal, not "unilateral," relations with the economies of the fraternal countries and the other countries of the world. However, since the time this was first stated by the Party Central Committee, the implementation of this guideline has been weak.

Above, I discussed the process of supplementing and developing lines.

2. The fundamental characteristics of the North on entering the period of transition and the changes which have occurred in these characteristics.

You will recall that the Political Report of the Party Central Committee delivered by Le Duan at the 3rd Party Congress pointed out the characteristics of northern Vietnam on entering the period of transition to socialism.

The most important characteristic was that it was advancing directly from being a backward agricultural country to socialism without experiencing the stage of capitalist development.

technical cadres and skilled manual workers. The old system left us with an insignificant number of specialists and manual workers. We have had to gradually train our own cadres and manual workers. However, there is still a lack of balance in the training of cadres and manual workers: due to the lack of balance between technical cadres and management cadres, the corps of technical cadres has developed more and little attention has been given to training management cadres; the number of cadres who are skilled in theory and basic research is much higher than the number of middle level cadres; there is an even more serious shortage of manual workers, etc. Recently, we recruited a stratum of youths who possess revolutionary fervor and are reliable for training as the generation that will run the key sectors of the national economy in the future. However, although many new workers have graduated from schools, their skills are still underdeveloped. Although the majority of workers are good, there are also some elements who are "non-workers" or who think and act like "non-workers." These are problems which we will need time to correct.

Another important difficulty is the fact that the viewpoint, ideology, habits and methods of thinking and acting of small-scale producers are still prevalent (they can be said to be very prevalent) among our cadres and people.

We highly evaluated a number of achievements recorded by several cooperatives over the past few years; however, if they had not reorganized their production and improved their management, they would still be production units operating in the style of small-scale production.

The habits of the small-scale producer have influenced our ability in the management of enterprises and the management of our undertaking. We have become increasingly aware of what V.I. Lenin meant when he said that the strength, the force of customs and habits is a very formidable force. In the course of our development, these habits have manifested themselves every hour of every day over the past 21 years, they are present now and will continue to pose an obstacle to us for many years to come. We must give our full attention to this matter in the management of the state, the management of the economy and the management of society. Overcoming the habits, the method of thinking, the viewpoint, the method of organization and the method of work of the small-scale producer in each job and each field is very important if we are to provide better organization and management in socialist construction.

The characteristics of our economy, namely, a backward agricultural economy based primarily on small-scale, private production, are not what they were in 1954 when we entered the period of transition. The achievements of socialist transformation and socialist construction have, in terms of production relations, completely eliminated small-scale production in the economy of the North. Below, I will analyze this aspect of production relations in greater detail.

Small-scale production has naturally caused us to encounter difficulties in all areas of the process of advancing to socialism; however, during the recent war, we had to admit that, because our economy is not highly agglomerated, does not have many large industrial centers and does not have many large industrial cities or highly developed cities, this situation, objectively speaking, was an



advantage which reduced the damages we suffered in the wars of destruction waged by the enemy. If our cities had a centralized economy which reflected a high level of agglomeration and consisted of many modern enterprises and many industrial centers as is the case with the cities of Europe, the destruction by bombs and shells would have been very extensive. Because our economy was still decentralized, we could, in our war with the enemy, in the resistance against the wars of destruction, easily disperse our economic installations and, as a result, the damages caused by the war were not as extensive as they would have been if our cities reflected a high level of agglomeration and centralization of production.

The second characteristic was that our country was partitioned: the North was building socialism while the South was still ruled by colonialists, feudalists and compradore bourgeoisie; the two zones were the direct opposites of each other; meanwhile, in the South, the basic antagonisms there became so sharp that they led to the outbreak of war. The change in this characteristic rapidly led to the war of resistance against the United States for national salvation throughout the country and, on this basis, made resisting the United States for national salvation the task of foremost importance of the entire country, of all the people. This situation ended with the total victory of the liberation revolution in the South.

The third characteristic is the existence of the socialist camp. This has been a very large advantage. However, in the early 1960's, the instability within the socialist system and the international communist and worker movement had a negative impact upon and posed difficulties to the revolutionary fight of our people.

But, generally speaking, in the entire process of development, these three characteristics have been advantages for us in the war of resistance against the United States for national salvation and in socialist construction in the North. It must be stated that the assistance provided by the socialist countries has been both large and effective, that the socialist system was our reliable rear area in the fight on the frontlines.

### 3. The short periods experienced by the North.

In keeping with the line of the party under the conditions and in view of the characteristics mentioned above, northern Vietnam has experienced the following short periods:

--The period from 1954 to 1957 was the period in which we took over the management of the liberated zone and completed agrarian reform and economic reconstruction in the North. During this period, we had to complete the remaining tasks of the people's national democratic revolution at a time when the North had just entered the period of transition to socialism. While completing these tasks, we created a number of initial bases of the new society, that is, bases upon which we could carry out socialist transformation and socialist construction in the future. We returned farmland to farmers in preparation for reorganizing them at a later date. We developed the state-

operated economy, took over the management of several enterprises, farms and so forth from the enemy and incorporated them within the state-operated economy. This was the period during which we completed the people's national democratic revolution and, at the same time, performed several initial jobs of the socialist revolution.

--The period from 1958 to 1960 was the period of economic transformation and development and cultural development, the period during which we carried out the task set forth by the 14th Party Plenum, a task centered around socialist transformation. We carried out agricultural collectivization, completed low level collectivization in 1960 and carried out the socialist transformation of private capitalist industry and commerce, small-scale commerce, the handicraft trades, etc.

Whereas, during the preceding period, we abolished the feudal landowner system after winning total independence in the North and brought about a fundamental change in the society of the North, during this period, as confirmed by the 3rd Congress of the Party, we virtually completed the socialist transformation of the system of ownership for agriculture, industry, commerce, etc. Through this substantive change, we abolished the system of man exploiting man and established a society in which there are no exploiting classes.

--The period from 1961 to 1964 was the period during which we implemented the first 5-year (1961-1965) plan. This plan was designed to build the initial material-technical bases of socialism. With this period, we entered the period of socialist construction as the central task and, at the same time, completed socialist transformation as pointed out by the 3rd Congress of the Party. However, the war broke out and, as a result, the plan was not completed. Of course, we had performed a number of jobs but due to the destruction caused by the war, our work was not enough to bring about a substantive change in socialist construction. The majority of enterprises, communications projects, pump stations and many water conservancy projects, many projects in the education, public health, cultural, scientific and other sectors were destroyed.

--The period from 1965 to 1968 was the period during which the North produced and fought, that is, continued to carry out socialist construction but primarily within the localities and on a decentralized, small scale in order to maintain and support the war of liberation in the South, avoid damages caused by the wars of destruction, establish local rear bases in the war and, at the same time, continue to maintain and improve the socialist production relations. The point which follows is a very important one. If war is said to be a challenge to a system, the reason we won victory over the United States is because we relied upon the socialist system in the North, relied not in terms of relying upon a developed industrial system and modern means of war produced by us, but upon the reorganized masses and developed a high degree of political and spiritual solidarity within our society; of course, we also had material assistance from the socialist countries.

--The period from 1969 to 1971 was the period in which we took advantage of the peace which existed in the North following the first war of destruction in order

to rebuild the economy. We set as our goal completing the restoration of the economy to the 1965 level by 1972 provided that the situation was a normal one. However, this period ended in 1971.

--The year 1972 was the period of the second war of destruction of the United States against northern Vietnam, the Nixon war, a war whose cruelty you either heard about or witnessed first-hand. Although it only lasted for 5 months, this war inflicted terrible destruction.

--Since 1973, after the signing of the Paris Agreement, we have been in the period of restoring and beginning to develop the economy during the 3 years from 1973 to 1975. The 22nd Party Plenum which was held in early 1974 set forth the task for the 2 years 1974 and 1975, a task which actually encompasses the 3 years from 1973 to 1975.

Our cadres and people in the North directly participated in the fight in the South along with the compatriots of the South until the historic Ho Chi Minh campaign and, since liberation, have continued to work with the compatriots of the South to carry out the new tasks of the revolution in the South while fulfilling their international obligation to the Lao and Cambodia revolutions.

Through the short periods mentioned above, we see that during the first period (from 1955 to 1957), we recorded achievements which created a substantive change and generated much enthusiasm. From 1958 to the end of 1960 we also recorded new achievements which brought about another substantive change, namely, the abolition of the classes of exploiters and the completion of low level socialist transformation. The period from 1961 until the present has been a period of construction intermixed with war, a period in which war has been followed by reconstruction followed by war and more reconstruction. The greatest achievement, in our eyes and the eyes of the world as well, during these years was our victory in the resistance against the United States for national salvation: we forced the United States to withdraw and then won total victory over their lackeys, that is, we drove off the Americans and brought about the collapse of the puppets. In addition to this great victory, in the field of socialist construction, although we have recorded important achievements and made new advances, historical circumstances and time have not permitted us to create a new quality in the economy and in society; in addition, we have encountered difficulties and displayed shortcomings; consequently, although the victory in the resistance against the United States for national salvation, which included victory on the economic front, was a very large victory, the achievements recorded in socialist construction have not been enough to create a new quality. We must clearly realize this in order to make a very large effort in this area, and do not be surprised when you hear compatriots and cadres express concerns, doubts and one opinion or another which, in substance, are opinions concerning the leadership of the party and the state. On the other hand, we must insure that everyone fully understands that the victory in the resistance against the United States for national salvation was the victory of the line of the party, the victory of the militant solidarity of all the people and the victory of socialism, as clearly pointed out in the resolution of the 24th Party Plenum. Without the socialist system in the North and without

the assistance of the fraternal socialist countries, we would have lacked very important factors of a decisive nature in the victory of the recent war of resistance against the United States for national salvation. The fight against and victory over the United States was a great undertaking of the entire country to which contributions were made by socialism in our country and world socialism and which had the assistance of the fraternal socialist countries. This is a point which we must clearly see in order to have a comprehensive, objective and deep understanding of this matter, an understanding which is consistent with reality. We must explain this matter to our compatriots, especially to those persons who do not have an understanding of it, so that they become enthusiastic and, at the same time, realize what they must continue to do in order to create a new quality within socialist construction.

### III. Northern Vietnam in the Resistance Against the United States for National Salvation

What did the North do in the resistance against the United States for national salvation, in the defense of the North and in the liberation of the South? I will only discuss this matter briefly because the answer to this question is relatively well known.

To begin with, the North strengthened the national defense system and launched a widespread and unique people's war to defeat the two wars of destruction of the United States and prepare itself against a land war.

According to initial data, in the two wars of destruction, the United States employed an average of 500 to 700 sorties each day flown by 50 different types of jet aircraft to attack the North and an average of 1,200 sorties per day at the height of these wars. The United States dropped on the North some 2,550,000 tons of bombs, including the most modern and very formidable types of anti-personnel bombs, ranging in size from 50 kilograms to 1,500 kilograms, that is, 1.5 tons. (In the war of the United States in the Pacific, the United States dropped a total of 502,780 tons of bombs; in World War I, the United States dropped 1,583,000 tons of bombs on Europe and the Middle East). In addition, U.S. warships fired 900,000 rounds of artillery fire of all calibres, including 406 millimeter, at the North. The North shot down 4,181 U.S. aircraft, including 68 B-52's and 13 F-111's, captured 472 pilots and set afire or sank 271 warships of all types.

Secondly, the North thwarted each sabotage, intelligence, espionage and commandoe plot and firmly maintained its political security as a result of which it won victory in the war and protected the achievements of socialist transformation and socialist construction.

Thirdly, the North made every effort to provide support--the term "provide support" was only used on a temporary basis--to the South and fought with the compatriots of the South on all of the battlefields of the South fighting the Americans and the puppets in all stages of combat, in every campaign and battle. Millions of youths joined the army and became regular army units and local army units and even some were assigned to the guerrilla militia forces

in the South. Millions of assault youths worked to build and defend the Ho Chi Minh Trail, transport everything needed for combat in the South and always keep communication lines open in order to resupply the great frontlines. It can be said that this was an epic which not only began at the Ben Hai River, the line of demarcation, but at the Sino-Viet border, because the Americans attacked us from the Sino-Viet border southward, on all roads, at sea, on the rivers of the North, on every path in the country, on every beloved piece of land of the Vietnamese fatherland. Tens of thousands of cadres, party members and Lao Dong Youth Union members were sent into combat in the South. Workers, farmers, outstanding youths and scientific-technical cadres eagerly went to the South to kill the enemy and save the nation and build the liberated zone. The majority of the families of the North had sons in combat in the South or sons fulfilling their international obligation. This very noble sacrifice became the normal, everyday life of the working people in the cities and the countryside, in the lowlands and the mountains. The North provided all the manpower and materiel possible to Laos and Cambodia and truly participated in the fight against U.S. aggression in the two neighboring countries in a pure proletarian international spirit, ready to die in combat and share everything we had.

In summary, while simultaneously performing its two strategic tasks, the North was very worthy of being the revolutionary base of the entire country. During the past 21 years, the compatriots of the South, who were always the first to go and the last to return, endured countless sacrifices and hardships, fought with extreme tenacity and were worthy of being the "bulwark of the fatherland" and the decisive local force in the fight to liberate the South and defend the North. Standing shoulder to shoulder with their compatriots in the South, the compatriots of the North made a glorious contribution to the victory of the entire nation. The North excellently completed its strategic task in the resistance against the United States for national salvation. The war challenged and tempered the socialist system in the North. The revolutionary war showed the superior nature of socialism, highly developed the revolutionary heroism of cadres and the people and enriched the storehouse of valuable experiences of the revolution.

However, the war also caused horrible destruction, caused tremendous losses and damages. In the two wars of destruction, the U.S. imperialists committed countless crimes against the socialist North. Below are a few examples;

All six of the North's municipalities were damaged, three of which (Vinh, Viet Tri and Thai Nguyen) were destroyed; of its 30 cities, 28 were damaged, 12 were destroyed; of its 116 towns, 96 were damaged, 51 were destroyed; of its 5,788 villages, 4,000 were damaged, 300 were destroyed. Some 350 hospitals were damaged, more than 10 were leveled to the ground; more than 1,500 medical aid stations and maternity clinics were destroyed. Nearly 3,000 schools on all levels, from kindergarten to college, were damaged (15 colleges and 2,900 general schools); many churches, seminaries, temples and 100 famous historical ruins were also damaged. Of the North's 70 state farms, 66 were damaged, 10 were destroyed. More than 1,600 water conservancy projects were damaged. More than 1,000 vital dike sections were bombed and destroyed. Some 40,000

buffalo and head of cattle were killed. All six of the North's railroad lines were damaged. One hundred percent of its iron and highway bridges along all railroad lines and highways were damaged to the point where they could not be used. The entire system of coastal and river ports was damaged. Warehouses were damaged and, at many places, leveled to the ground. One hundred percent of the North's electric power plants were heavily damaged. All industrial complexes were damaged and many were destroyed. The coastal waters and the mouths of all rivers were blockaded by bombs, mines and torpedoes. Hundreds of thousands of civilians were killed. U.S. bombs caused as estimated 70,000 orphans. Hundreds of thousands of persons were disabled. More than 5 million square meters of brick and tile housing were destroyed; this does not include the hundreds of thousands of thatch houses that were leveled to the ground, especially in Quang Binh, Vinh Linh, and so forth. Hundreds of thousands of hectares of cropland and gardens were damaged and there are still several tens of thousands of hectares which we have not been able to restore to crop production either because we have not removed all the bombs and mines from them or because the bomb and mine craters in these fields are so deep that they can never be used as farmland again.

Although these damages are very large, the enemy was totally defeated. Here, I would like to repeat an admission made by General Taylor, once the most powerful U.S. general, the author of the three war strategies applied by the United States in Vietnam. Taylor once declared that Vietnam could very easily be defeated using ordinary bombs but, in the end, it was he who lamented: "We did not correctly evaluate the very determined spirit of the Vietnamese or their virtue of dying for their cause." A research project by Cornell University in the United States on the air war in Indochina contains a similar passage: "After long years of trying to conquer poor nations by means of the cruelty of its technical might, the most powerful and richest country on this planet can, in the end, see itself being driven from the Indochina peninsula by the Vietnamese communists. If this is true, the victory of the Vietnamese will be an unparalleled example of the total victory of the intelligence of man over machines." This "if" became reality in May, 1975, when the U.S. imperialists and their lackeys were completely driven from Indochina by our people and the peoples of Cambodia and Laos.

The people of the fraternal countries and the people of the world have used the most beautiful of words to praise the great victory of Vietnam and the important contributions made by the Vietnamese to the revolutionary struggle of the world for peace, national independence, democracy and socialism; as for ourselves, because of our inherent modesty, we would never use such words. It is worth repeating here a thought expressed by a president of an African country, President Nyerere of Tanzania, which was printed in our press: "If the people of Africa do only 1 percent of what the people of Vietnam have done, Africa will be totally independent and free."

The price paid for this victory of historic significance was tremendous sacrifices and very cruel destruction, the consequences of which will linger for many years. We will make every effort to heal the wounds of the war but it must be realized that many more years of work are required to overcome the aftereffects of the war.

To begin with, the war seriously damaged our production capacity and material-technical base, thereby setting our progress back by decades and making our people's life a difficult one that is being improved slowly. As examples, I would like to cite a few estimates. Generally speaking, northern Vietnam is two 5-year plans behind where it should be. Were it not for the war, electric power capacity would be at least 800,000 to 1,000,000 kilowatts today; coal output, which reached 5 million tons in 1964, could be in excess of 10 million tons per year today; iron and steel output would certainly have reached 400,000 to 500,000 tons per year and the construction of the Thai Nguyen iron and steel complex would have been completed. With regard to nitrogen and phosphorus fertilizers, we would be producing roughly 300,000 to 400,000 tons of each type, that is producing slightly less than 1 million tons of phosphorus fertilizer and nitrogen fertilizer. Water conservancy projects, farmland water conservancy improvement projects and communications-transportation would surely be more highly developed, not stalled.

Secondly, hundreds of thousands of wounded and ill veterans and disabled civilians and numerous social problems resulted from the destruction caused by the war. Attending this conference are persons engaged in scientific and technical work, consequently, I would like to emphasize that we are fully aware of how many people were killed or disabled during the war and how many children became orphans; however, we must also be aware of another problem caused by the war, namely, the destruction of the environment and the damage to the chromosomes of humans, damage which cannot be measured and might last for one or two generations or even longer. We do not have a complete indictment of the enemy for this crime committed in the war of aggression in our country. To indict the enemy for this crime, we must make an effort to conduct scientific research projects. However, this research must not only have the purpose of uncovering this problem, it must also be designed to overcome this aftereffect of the war.

Thirdly, upheavals in a number of areas of economic management, state management and the management of order and security occurred and created the conditions for non-socialist factors to emerge or reappear and undermine socialism. These negative phenomena were most clearly evident in 1973 and 1974; now, however, we must continue to give our attention to this matter because there are small-scale producers and small merchants who have not been transformed. These negative phenomena still exert an adverse effect on the market and can become the base of acts of sabotage against the system. Therefore, particular attention must be given to completing socialist transformation, managing the state well, managing the economy well, managing society well and managing order and security well, we must be extremely vigilant against and take positive steps to eradicate these phenomena.

### III. The North in Socialist Construction

The North completed the task of resisting the United States for national salvation as a result of developing upon the superior nature of the socialist system and devoting to the revolutionary war the entire strength of socialism and all of the achievements of the dictatorship of the proletariat and the three

revolutions. While evaluating socialist construction in the North, we must always remember that, in addition to the characteristics pointed out by the 3rd Congress of the Party, every achievement recorded by socialism has been recorded under the circumstances of a fierce war, not under normal circumstances. The resolution of the 22nd Party Plenum stated: "During the past 21 years, the North has only had about 8 years in which to build itself." Less than 3 years have elapsed since the second war of destruction and the serious damage it wrought. Even during the years called years of peace in the North, the North had to constantly devote its efforts to the fight in the South under the slogan "everything for the frontlines, everything for victory." Thus, even during those 8 years we were still waging a fierce revolutionary war. In the space of the last 10 years, the North reoriented its economy four times: from a peace time to a war time footing in 1965; from a war time footing to the period between the wars of destruction in the North (in 1968; with regard to economic reconstruction, in 1969); from a peace time footing (peace time in the sense that there was no war of destruction in the North) to a war time footing (that is, the period of Nixon's second war of destruction); and again from a war time to a peace time footing (in early 1973 following the signing of the Paris Agreement on Vietnam). During these four periods of change, the situation developed as follows: while the North was building its economy on a large scale, it was forced to decentralize the economy; later, it shifted again to economic reconstruction and then again to decentralization; finally, it returned once more to economic restoration and construction.

Under these circumstances, what have our achievements and shortcomings in the North been?

A. Let us begin by talking about our achievements:

1. We won a victory of a decisive nature in socialist transformation and the abolition of the system of man exploiting man. At first, we abolished the system of feudal exploitation and then completed the socialist transformation of private capitalist industry and commerce and abolished the bourgeoisie, that is, abolished each of the exploiting classes. We completed agricultural collectivization, reorganized the handicraft production sectors along the lines of socialism and carried out the socialist transformation of small merchants. Our success in the transformation of small merchants was due to two factors: shifting a contingent of small merchants to production and selecting from the other contingent persons whom we trained for use in the network of state stores. In these two jobs, we displayed more than a few shortcomings and weaknesses; however, both of these jobs were, generally speaking, carried out relatively well. The organization of these persons into cooperatives of small merchants is a matter requiring further examination.

With the decisive victory of socialist transformation, the socialist production relations were established and assumed the dominant position in the North. They are the basis of the social system in the North.

Here, I would like to present a few figures to illustrate these revolutionary changes of historic significance. In 1974, 95.2 percent of the total number of



farm families belonged to cooperatives; high level cooperative members comprised 97.3 percent of the total number of cooperative members; the average number of families per cooperative was 184,387 in the lowlands; the average amount of farmland per cooperative was 94 hectares; each cooperative had an average of 170,000 dong in fixed assets (not including their land). In 1960, the average cooperative only had 40,000 dong in fixed assets. Also in 1960, the average cooperative only had 33 hectares of farmland.

In 1974, the socialist economic segment comprised 93 percent of the social labor force, 99.7 percent of the fixed assets within material production, 87.6 percent of national income, 96.7 percent of industrial output value and 95.6 percent of agricultural output value (the subsidiary economy of cooperative member families is considered a component of the cooperative economy).

It is possible to make the following several observations concerning socialist transformation:

a) To begin with, in both the theory and practice of socialist construction, the elimination of the system of exploitation, the elimination of the capitalist economy and the reorganization of the private economy are generally considered to be very difficult and complex tasks because the target of the socialist revolution is the system of private ownership of the instruments of production and because the socialist revolution is the most profound and thorough of all revolutions; therefore, the targets of this revolution frequently must be found within man himself, within each citizen, cadre and party member--namely, the concept of private ownership, the practice of concealing and dispersing property, the habits of the small-scale producer, etc.

We won a decisive victory in the relatively rapid and systematic performance of this task. This has proven that the line of our party is totally correct and that the socialist revolutionary spirit of our people is very high.

b) The socialist production relations in the North displayed their strong vitality and superiority in the war of resistance against the United States for national salvation and at times of major natural disasters (such as in 1969, 1971 and several other years in which natural disasters occurred).

c) As analyzed by Marx, Engels and Lenin, the base of small-scale production is small instruments of production under the personal ownership of private workers; the premise of small-scale production is decentralized instruments of production and backward techniques. With the decisive victory of socialist transformation and the establishment of the system of public ownership of the primary instruments of production, we completely abolished, either by means of the state-operated form of organization or the cooperative form, the base of small-scale production in the North. This victory, of course, only opened the way for the advance of small-scale production to large-scale socialist production, it did not eliminate the premise of small-scale production.

To create large-scale socialist production, it is necessary, after establishing the socialist production relations, after abolishing the system of private ownership of the instruments of production of the bourgeoisie, private farmers(8) and private handicraftsmen and establishing the system of public ownership of

the instruments of production, to use machines as work tools, that is, necessary to carry out socialist industrialization, necessary to build heavy industry, the key element of which is the machine industry, in order to mechanize social production. This very important work brings about a revolutionary change and carries out the following processes: within industry, production is agglomerated, centralized, specialized, cooperative and federated and large-scale enterprises and large industrial complexes are constructed on the basis of modern technology and industrial-style management; within agriculture, production is reorganized at the cooperatives and new, improved techniques are put into use within agriculture and agricultural mechanization; at the same time, agricultural production is reorganized on the basis of investigating and zoning areas, establishing large specialized farming areas, practicing intensive cultivation, operating in a planned, scientific manner, coordinating agriculture with industry, coordinating the collective economy with the state-operated economy, expanding the scale of cooperatives in a manner corresponding to the level of socialist agricultural management and the ability to introduce machines within agriculture and applying industrial management methods within the cooperative, that is, implementing a law cited by Marx: production relations must be consistent with the level and requirements of the development of production capacity.

The victory of socialist transformation and the establishment of the public ownership of the primary instruments of production abolished the base of small-scale production and, as a result, opened the way for production to move forward.

In "Capital," Karl Marx said something which was pointed out again in the resolution of the Central Committee concerning collectivization: fifteen private farmers, if organized into a cooperative, will achieve a higher productivity than the combined productivity achieved by these persons when working as individuals. Involved here is simple cooperation, not machines. To achieve stronger development and higher productivity, it is absolutely necessary to have machines. The introduction of machinery, on the other hand, demands that the scale of the cooperative be consistent with the development of mechanization and demands an organization of labor and cooperative management procedures suited to machines. This is work in which we are presently conducting tests and which we are gradually expanding in many districts. This is work that was proposed at the Agricultural Conference of Lowland and Midland Provinces held in Thai Binh (August, 1974), at the Midland and Mountain Agricultural and Forestry Conference held in Hanoi (January, 1975) and in Party Secretariat directive number 208 of 16 September 1974 on reorganizing agricultural production and improving agricultural management at the installation in keeping with the advance toward large-scale socialist production. Recently, several provinces have expanded their pilot projects--each province has three or four pilot project districts--and they have achieved initial results. However, we must observe, gain experience and conduct reviews in order to clearly see the relationship and responsibility of the state and the relationship and task of industry concerning this matter and the technical measures which the cooperative can and the state must take; on the basis of gaining experience, we must propose new jobs designed to stimulate the process of reorganizing

agricultural production, expanding the scale of the cooperative, improving management and advancing the cooperative to large-scale socialist production.

With regard to the organization of production and production forces, the decisive victory of socialist transformation actually created new production capabilities, production capabilities most evident within collectivized agriculture. There are also cooperatives under the capitalist system but because of the bourgeois state these cooperatives are capitalist production organizations (such cooperatives exist in the western capitalist countries, once existed in northern Vietnam and exist in newly liberated southern Vietnam). Under the socialist system, we have the proletarian state. This superstructure is suited to the development of the infrastructure. Consequently, the cooperative under the socialist system, as V.I. Lenin said, is the starting point of large-scale socialist production within agriculture.

d) We clearly realized at an early date that the system of ownership is the nucleus of production relations, it does not encompass the entirety of production relations. Production relations, as J. Stalin said, consist of three points: first, who owns the instruments of production? Secondly, what are the relations among the groups of persons within social production, are they relations of oppression and exploitation or relations of cooperation and mutual help? Thirdly, how is wealth distributed, who receives it?

The system of ownership is that which is established first; however, it is not all that is involved in production relations. It is an important, essential point but in addition to it are such matters as: whether these relations are cooperative or oppressive and exploitative, whether distribution is socialist or capitalist and what the principle of management is. In our country, these relations are, of course, cooperative relations, distribution is socialist distribution and management is the socialist mode of management. At present, however, socialist distribution and management within our cooperatives are not being carried out very well. Therefore, in conjunction with continuing to improve the system of socialist ownership, we must improve distribution and management within the cooperatives.

One very important problem in the strengthening of cooperatives is: to accelerate the increase in labor productivity and income, how should distribution be carried out in order to strengthen the unity of the interests of society (represented by the state), the interests of the cooperative and the interests of the cooperative member, that is, establish the correct relationship among the needs of the state, the income and property of the cooperative and the income of the individual cooperative member. Our shortcomings in management and distribution together with the difficulties caused by the war have limited the results of the effort to strengthen and improve socialist production relations. In past years, this situation was rather widespread, consequently, some cooperatives disbanded, some cooperatives and cooperative members complained at great length about the lack of democracy in management, unfair distribution, etc. On the other hand, the lack of smooth coordination between production relations and production capacity also exerted an adverse influence upon the effort to develop upon the superior nature of socialist production relations

as well as the effort to build the material-technical base of socialism. This is something I wish to emphasize concerning the reorganization of the production of cooperatives and, on this basis, the reorganization of labor, the reorganization of management, the reorganization of distribution, etc. The expansion of the scale of the cooperative must be carried out in a manner consistent with the level of development of improved work tools, mechanization and new technical measures in accordance with the law that production relations must be consistent with production capacity; conversely, production capacity must be rapidly developed and increased in order to provide the basis for the strengthening of production relations. There was a time when we did not fully see this relationship in the construction, strengthening and expansion of cooperatives or in the strengthening and improvement of the new production relations. During the past several years, we have become fully aware of this relationship and reviewed our experiences concerning it at the Agricultural Conference of Lowland and Midland Provinces held in Thai Binh. In the past, because we did not have a full understanding of this relationship, there was a time when we only concerned ourselves with democratic management or with combating the misappropriation of property, and so forth. These matters were important; however, of greater importance is the need to reorganize production, that is, the need to conduct basic investigations, zone areas, organize specialized farming, build the material-technical base and initiate intensive cultivation in order to achieve high crop and livestock yields, achieve increasingly high labor productivity and, on this basis, gradually upgrade production to large-scale. This involves political work, economic work and scientific work. Of course, the scientific work involved here cannot be separated from, rather, it must be closely linked to reality; investigations and research must also involve the application of scientific methods. For example, the investigation and zoning of areas must include the analysis of soil, agricultural chemistry tests and an investigation of the climate, particularly in view of the fact that our country is a country of many small climatic areas. The lowlands, mountains and midlands differ from one another. We have established various specialized farming areas; these areas can be used as the basis for conducting research and investigations to supplement these areas. For example, there are the rice area, namely the entire lowlands, the jute area in Hung Yen near Hanoi, and so forth. Every locality has an advantage in a certain crop and, through many years of productive labor by our people, specialized farming areas have actually been established for these crops. Therefore, we must have a detailed understanding of these realities. Soon, when opening new economic areas in the mountains and in the Nam Bo lowlands, we must conduct investigations and research and must zone areas. These are very detailed scientific research projects, projects which must coordinate a firm grasp of reality (for example, what are the strongpoints of the Nam Bo lowlands, the strongpoints of the Central Highlands, and so forth) with investigations conducted by proper methods and on an increasingly accurate basis when zoning production areas and carrying out project planning for these areas.

2. We have constructed the initial material-technical bases of socialism, thereby insuring that our economy will develop in the direction of a modern, independent and autonomous economy of large-scale socialist production. Compared to the requirements of building the material-technical bases of socialism, these

initial bases are rudimentary and very small. It was not until the end of its second 5-year plan that the USSR finished the construction of the material-technical base of socialism. Some countries have required three 5-year plans. As for ourselves, the resolution of the 24th Party Plenum has projected that we will need 15 to 20 years.

During the years from 1961 to 1964, investments in economic construction comprised 61 percent of the budget, three times as much as they did during the period from 1955 to 1957. After the victory over the United States, investments in the economy continued to increase. In 1974, there were, compared to 1960, five times more fixed assets in the material production sectors, 4.6 times more in industry and seven times more in agriculture. In 1974, there were roughly 1,500 state-operated enterprises within industry, 16 times more than in 1955 and 14 times more than we had during the period of French domination (there was a slightly larger number of enterprises during the period of French domination than in 1955 when we began the period of economic reconstruction). In addition, there are thousands of handicraft cooperatives. One-third of the central enterprises have from 500 to more than 2,000 workers. Many industrial complexes have been established, such as those in Hanoi, Haiphong, Quang Ninh, Viet Tri, Thai Nguyen, Ha Bac, Thanh Hoa and Vinh (in accordance with previous project planning). The structure of industry includes large and medium size installations in such key industrial sectors as electric power and coal, several machine works, metal refining installations, chemical plants and building material enterprises; at the same time, we have established many light industrial sectors. In 1974, electric power output was 20 times greater than in 1955; machine output value, 80 percent of which was the value of manufacturing machines, was five times higher than in 1960 and comprised one-fifth of total industrial output value. However, the production of machines for medium and major repair work and the production of spare parts are still underdeveloped, consequently, the problem of spare parts for automobiles, tractors, pumps and so forth is still a major problem. Within agriculture in 1974, water conservancy projects irrigated and drained hundreds of thousands of hectares, thereby raising the coefficient of land use from 1.4 in 1955 to 1.75 in 1975 (the requirement is 2.00). Some 54 percent of cooperatives were equipped with small machines (an 11 percent increase over 1960). The electric power supplied to agriculture increased as did the number of standard tractors; the number of pumps in use increased many times. The number of elementary and middle level technical cadres as well as the number of agricultural engineers also increased many times. Rice yield increased 10 to 12 quintals per hectare between 1971 and 1974 compared to the years from 1955 to 1960. We now have areas averaging 5 tons per hectare, districts averaging 5-6 tons per hectare, cooperatives averaging 8-10 tons per hectare, etc. In the immediate future, an effort must be made to achieve yields of 5 tons per hectare on the 900,000 hectares of rice under project planning and higher yields on land under the cultivation of rice outside the areas under project planning.

The following several observations can be made concerning the building of the material-technical base of socialism:

a) In the management of the relationship between accumulation and consumption, we have always concerned ourselves with expressing the party's line on socialist industrialization. During the 20 years between 1955 and 1974, annual accumulation generally comprised 20-25 percent of the national income used (national income used includes income from foreign countries in the form of aid or loans). Investments by the state in the production sectors comprised 88 percent of total investment capital; of this amount, investments in industry comprised 35 percent and investments in agriculture comprised more than 16 percent (which is not very low), if the investments in the agricultural support sectors are included, investments in agriculture were much higher. For a relatively long period of time, investments in communications and transportation comprised 23 percent, a portion of which we had to use as a result of the wars of destruction to build new roads and ports.

b) The material-technical base was what was most heavily damaged by the war, consequently, the North has not brought about a third change of historic significance in this field: socialist industrialization has not been completed and the changes which have occurred in the material-technical base over the past several years have not been changes from quantity to quality. Achieving this historic turning point will require many efforts over the period of a few more 5-year plans.

c) However, the material-technical base of today reflects marked progress compared to the material-technical base of 10 or 20 years ago even though we spent the majority of this time engaged in the war. The nature of small-scale production is not what it originally was, it is not as serious now as it was in 1955. In 1974, excluding the large installations within the infrastructure, such as those within communications-transportation (ports, railroads, roads and so forth), within construction, within forestry and agriculture and so forth, central and local state-operated industry (which has gone beyond the stage of the manual labor worksite) comprised one-third of the fixed assets of the North's economy and produced nearly one-fourth of the gross social product. State farms and agricultural cooperatives are large or medium-scale production units, not the fragmented, decentralized production units of the private system of agriculture of past years, and they are being equipped with a significant amount of technical equipment. Our shortcoming here is that we have failed to make good use of the capacity of this technical equipment due to poor management, an important part of which has been poor maintenance.

In addition to the production sectors, the socialist circulation-distribution system has also been formed, a system which consists of the home trade sector (consisting of the purchasing system and distribution stores), the foreign trade sector (under the exclusive control of the state), the credit sector, the finance sector and so forth and which, in terms of its organization as well as its activities, clearly reflects the characteristics of the advance to large-scale socialist production.

Thus, it can be said that the North has a number of the initial bases of large-scale socialist production. Although we do not, at this time, have a system of large-scale socialist production, it would be incorrect to say that the

system of social production in the North still consists totally of small-scale production as it once did.

3. We maintained and developed production capacity even during the fierce war. National income in 1975 was twice as high as in 1957. In 1964, prior to the wars of destruction, the North produced a large percentage of its consumer goods and, generally speaking, social production met a portion of the need to accumulate capital. These were the results of developing the role played by socialist production relations and utilizing the capacity of the material-technical bases that had been constructed. This development of production reflected the efforts we made to implement the economic line of the party, a line directed toward creating a new economic structure. In 1974, industry produced 37 percent of national income and 92 percent of the value of export goods, if we include the agricultural and forestry products that were processed. In 1974, the production of the instruments of production comprised 41 percent of the value of industrial products and the production of consumer goods comprised 59 percent; central industry, the majority of which was mechanized, comprised 49 percent while local industry comprised 24 percent and the handicraft and artisan industry comprised 27 percent (in 1960, the artisan and handicraft industry comprised 43 percent of industrial output value). In 1974, crop production comprised 77 percent of agricultural output value and livestock production comprised 23 percent, that is, livestock production was still developing slowly. In a country such as our's, in order for livestock production to be a main sector it must comprise at least 40 to 45 percent of agricultural output value. (In the countries which raise livestock by large-scale industrial methods, livestock production comprises over 60 percent of agricultural output value). The amount of area under the cultivation of industrial crops has also increased. Generally speaking, however, the various sectors within agriculture, with the exception of rice production, are still weak. Our country's agriculture, although no longer a system of monoculture, has only begun developing toward diversification.

4. We have trained a corps of nearly one-half million scientific, technical, professional and management cadres and trained several tens of thousands of additional skilled workers. By 1974, the number of scientific and technical cadres had increased 94 times compared to 1955 and 19 times compared to 1960. By 1974, the number of technical workers had increased five times compared to 1960. However, it must be stated that development in this area has been unbalanced: the training of management cadres has been slower than the training of scientific and technical cadres; with regard to the various levels of technical cadres and the scientific-technical sectors, more attention has been given to training high level cadres and cadres for the basic sciences but appropriate attention has not been given to the training of middle level cadres and the various types of technical personnel for the purpose of applying technical achievements within the country. Yet, the scientific and technical line of the party points out that we must attach importance to basic scientific research while attaching very much importance to applied science. We are behind the advanced countries in which science and technology are highly developed; therefore, we can research many of the achievements of world science and technology for application within our country. Therefore, the shortage of technical cadres and

skilled workers is a lack of development resulting from the failure to give full attention to balance within the structure of the corps of cadres and manual workers.

5. We have also recorded remarkable achievements in the fields of culture, education and public health; this is an evaluation which is shared by many persons in other countries. Today, one of every three citizens attends school, one of every two persons between the ages of 6 and 50 attend school. With the start of this school year, all students began attending school on a tuition-free basis. In the field of cultural activities, we have published many books totalling tens of millions of copies, organized dozens of art groups and produced a number of good literary and art works. In the field of public health services, the number of hospitals, medical aid stations, hospital beds, and so forth has also increased and new advances have been made in the field of public health.

6. The society of the North has undergone a fundamental change. The working class has grown and is consolidating its leadership role more with each passing day. Farmers have become a new class, the class of socialist collective farmers. The stratum of socialist intellectuals is constantly growing. There are equality and unity among the various nationalities. Women are equal to men. Youths play the assault role on all fronts. And, it is necessary to repeat one fact of an overriding nature, namely, we have achieved a high degree of political and spiritual unity within society.

7. The material life of the people was improved during peace time and a number of their basic needs were met during war time. To correctly evaluate this area, in addition to the large task we had to undertake, namely, supporting the great frontlines and in addition to the destruction wrought by the war, we must also take into consideration the rapid growth of the population. Between 1954 and 1974, the population increased by approximately 40 percent, that is, increased by 7 million persons. Social production has been unable to keep pace with the high rate of population growth. At present, we must take very positive steps in the planning of population growth; however, there must be differences in the growth of the population among the various areas. In the mountains, where the ethnic minorities live, the need is to rapidly increase the population of these tribes. Generally speaking, the North has overcome the problem of some persons experiencing chronic hunger, everyone has food and clothing, the ill receive medical treatment and both children and adults receive an education. With regard to housing, in 1964, prior to the war of destruction, 60 percent of the houses in the countryside had brick walls and tile roofs.

At present, the people are encountering many difficulties in their material lives, especially in the municipalities, industrial areas and a number of places in the mountains. The quality of food is not high enough to meet the requirement of carrying out socialist industrialization. Clothing is not warm enough nor attractive. The housing in the countryside is relatively spacious but housing conditions in the municipalities are very overcrowded. Therefore, the standard of living must first be improved in the areas of food



and housing and then in the other areas: clothing, education, health care, travel, etc.

Very important changes have occurred in the cultural and spiritual lives of the people. The resolution of the 3rd Party Congress stated that "the objective of the socialist revolution in ideology is to put the ideology of Marxism-Leninism in the dominant position within the spiritual life of our country, make it the ideology of all the people and, on this basis, establish the new ethics of our people."(9) Although we have not fully achieved this objective, the ideology of Marxism-Leninism is in the controlling position; it guides the thoughts, feelings and actions of the working people (that is, of manual workers, farmers and socialist intellectuals) and has spread throughout the cultural and spiritual lives of the North.

8. The organizational structure of the system, that is, the leadership of the party, the management function of the state and the role of the mass organizations, has been consolidated and strengthened.

All party organizations have grown in every respect. This was pointed out in the resolution of the 23rd Party Plenum. Our state, although it still has some shortcomings, clearly manifests the nature of a state which is of, by and for the people, a socialist state which is not only performing the task of governing, but which is also becoming more deeply involved in its basic function of building and managing the economy. The various mass organizations, such as the Trade Union, the Youth Union, the Women's Union, and so forth played a major role in mobilizing and organizing the masses in the resistance against the United States for national salvation and have constantly grown in their activities in socialist construction.

9. The socialist North and the South have smoothly coordinated and achieved good results in implementing the independent, autonomous and correct foreign relations line of the party. We have steadfastly united with the USSR, China and the other fraternal countries and won the valuable support and assistance of the socialist system in the war of resistance as well as in construction; we further strengthened our militant solidarity with Laos and Cambodia; we won the enthusiastic support of the third world; and, in reality, we established a front of the people of the world, including progressive Americans, supporting Vietnam in its resistance against the United States for national salvation. Following the Geneva Agreement and following the day we won total victory, we continued to seek broad international support of the revolutionary undertaking of our people. We continuously attacked the enemy on the diplomatic front and closely coordinated this front with the political front and the military front. We have constantly broadened our diplomatic, economic and cultural relations with many of the countries of the world, thus heightening the international position of our country and our people.

Today, we have diplomatic relations with more than 90 countries and are a member of many international organizations of the United Nations and many other international democratic organizations. In the United Nations, we have recorded a number of achievements: both the North and the South can be observers

in the United Nations if we desire to occupy this position. However, more deserving of mention is the fact that when we asked to join the United Nations, 13 of the 15 countries on the Security Council voted in favor of our request, there was only one abstention, Costa Rica, and the United States was forced to use its veto power. When this matter was presented to the United Nations General Assembly, of the 132 nations present, 123 voted in favor, there were nine abstentions and not one vote against us; the assembly requested that the Security Council immediately re-examine the matter of Vietnam joining the United Nations, that is, it put this matter before the Security Council again in accordance with procedure. It is possible that the United States will continue to exercise its veto power; however, if the United States does this it will be even more highly isolated. Southern Vietnam was an official member of the non-aligned bloc; recently, the Democratic Republic of Vietnam also asked to join this bloc and will become an official member next year. The role of our country among the nationalist countries, countries struggling for independence and democracy, has constantly grown. These countries consider the victorious struggle of the Vietnamese to be a banner, a new appeal to the people of all countries and they evaluate our country's victory very highly.

The North and the South have fulfilled our nation's international obligation by standing shoulder to shoulder in combat with Laos and Cambodia and by supporting the struggle of the countries of the world for national independence, peace, democracy, social progress and socialism. Deserving of attention is the fact that as a result of our victory, a new term has appeared in the public opinion of other countries--"the post-Vietnam era"; this term considers the victory of Vietnam to have ushered in a new era, accelerated the national liberation, independence and democratic movements, awakened nations in the struggle, weakened U.S. imperialism and deepened the crisis of the United States and the capitalist world. We are unable to fully evaluate these views at this time, more time will be needed to do this. Whereas the victory of Dien Bien Phu and the victory of the Geneva Accords hastened the disintegration of old style colonialism, the victory of the Vietnamese in the resistance against the United States for national salvation will bring about the bankruptcy of the neo-colonialism of imperialism, headed by U.S. imperialism.

10. All of the achievements mentioned above are reflected in the workers, the socialists of the North, in particular, and in all the patriots of Vietnam. These are persons who possess ideals, are educated and are in good health. Their average age has increased each year; it is now 57-58 or 59 years of age, compared to an average 40 years of age at one time. These are persons who are imbued with the truth "there is nothing more precious than independence and freedom," imbued with the thinking "the blood of the South is the blood of Vietnam, the flesh of the South is the flesh of Vietnam"; they are persons who were prepared to endure every hardship and sacrifice in order to advance the resistance against the United States for national salvation to total victory, regardless of how long it took. They are patriots and socialists who know how to combine genuine patriotism with proletarian internationalism. They are persons who possess the thinking and virtues of President Ho Chi Minh, who "live, fight, work and study in the example set by Uncle Ho." They are persons who have continued the traditions of our forefathers and accepted

the essence of the age, persons who are moving forward to be the masters of society, the masters of nature and the masters of themselves in a beautiful way. The beautiful thoughts and feelings of the socialist have been very clearly expressed on the battlefield, in production, in the prompt political reaction to domestic and world situations, in everyday social relations and even in an attitude of criticizing, and sometimes expressing displeasure and indignation over, existing shortcomings and negative social phenomena.

B. Thus, in the North, what are our difficulties and shortcomings, what are the causes of these difficulties and shortcomings? The resolutions of the 19th, 20th, 22nd and 23rd Party Plenums reviewed and analyzed our difficulties and shortcomings and pointed out the reasons for them.

In 1971, the resolution of the 19th Party Plenum stated: the material-technical base of our country's economy is still weak. The social product and national income declined during the war and, although they have increased since the end of the war, they have not increased fast enough to meet the requirements of reproduction and meet the needs of the people... In this situation, negative economic and social phenomena were corrected slowly (compared to the final period of the war and 1973, much progress has been made) and, at certain times and in certain areas, these phenomena have increased. The struggle between the two ways of life is still a complicated struggle. The resolution of the 19th Party Plenum also pointed out the three causes of our difficulties: first, as a result of advancing from small-scale, backward production directly to socialism without experiencing the capitalist stage of development, the material-technical base is underdeveloped; secondly, the destruction caused by and the aftereffects of the war; thirdly, shortcomings on our part in guidance and management.

The resolution of the 22nd Party Plenum delved more deeply into analyzing the causes of these difficulties and reviewed our shortcomings in greater detail. This resolution stated: "The prime cause of the underdeveloped state of production, the slow development of the economy and the difficulties faced in everyday life is the protracted, fierce war experienced by the country and its serious aftereffects. However, the failure to promptly correct shortcomings in the leadership, guidance and management of the state is the cause of laxity in economic management and social management and has given rise to unwholesome phenomena in the everyday life of our society.

The lines and positions of our party are correct; however, the implementation of these lines and positions is marked by shortcomings on our part:

--Lines and positions are generally not expressed in the form of specific stages of development, projects and plans. Socialist industrialization, the central aspect of socialist construction and transformation, is not fully understood as set forth in the line and guidelines of the party nor have positive steps been taken to express this line and these guidelines in a concrete manner. Socialist construction requires policies designed to mobilize each social labor force and provide incentive for production and higher labor productivity; however, our research and guidance in the area of policies have been neither prompt nor comprehensive. The various sectors and localities

have made few contributions with regard to concretizing lines and positions and formulating policies.

--The state apparatus and the system of economic management organizations and production organizations are in the decentralized nature of small-scale production, they do not correctly reflect the principle of democratic centralism nor have they properly implemented the mode of socialist business or the centralized, unified management system. Planning is the chief tool of economic management; however, in planning, we have failed to assess requirements and capabilities, there is a lack of balance among the various capabilities needed to implement plans and bureaucratic centralism and restrictions exist alongside decentralization and the practice of doing as one sees fit. The management of labor, equipment, materials, finances and cash is, generally speaking, loose and accounting procedures are not tight, thus creating waste and losses. The socialist system of management law has little effect, the system of economic law is being formulated slowly and state discipline is not strict.

--Since the virtual completion of the transformation of the system of ownership of the instruments of production, we have not done a good job of strengthening and gradually improving the new production relations. The campaigns designed to improve the management of agricultural cooperatives have not met requirements; at many places, agricultural cooperatives are becoming weaker, production has stagnated and several cooperatives have disbanded.(10) Artisan and handicraft cooperatives have not been strengthened, or have been strengthened in form only. Private production comprises a very small percentage of the economy; however, because it is not being managed and because we have not continued the socialist transformation of private production, illegitimate ways of earning a living and violations of the law are having an adverse effect upon the market and the life of society.

--The various party committee echelons have not truly strengthened their economic leadership or their leadership of state management and do not conduct enough inspections of the implementation of party resolutions and the economic plans of the state. Neither organizational work nor cadre work have kept pace with the requirements of the revolutionary task. Party building has not been closely linked to economic activities nor strongly developed upon the positive factors within the mass movement and within the party itself in order to improve the quality of the party organizations and wage a timely and effective struggle against such negative phenomena as departmentalism, remoteness from the masses, arbitrariness, authoritarianism, selfishness and self-interest. Ideological activities lack effectiveness; they have not given party members and the masses a clear understanding of the lines and policies of the party; they have not done a good job of teaching the basic theory of Marxism-Leninism; they have not shed light on the practical matters involved in our country's socialist construction; they have not resolutely criticized mistaken viewpoints and negative practices. Cultural and art activities fail to meet the requirements of supporting socialist construction. The Trade Union, Youth Union and Women's Union are not in close contact with the masses in production and everyday life; the production movement of the masses still lacks enthusiasm and intensity and there are numerous manifestations of a lack of discipline in productive labor and work.

--Building the socialist economy is very new and complicated work; however, we have not taken the initiative to study economics and management, not delved deeply into practice and not attached importance to reviewing experiences; therefore, we have been slow to correct our shortcomings and weaknesses." In early 1975, the 23rd Plenum of the Party Central Committee conducted a review of the party's leadership and presented the following several points of self-criticism and criticism:

"As its achievements become larger, our party must deal even more harshly with its weaknesses and shortcomings.

The general line on the socialist revolution is a correct one; however, certain aspects of it have not been defined in detail or accurately reflected in projects and plans. Leadership in the areas of the formulation of economic and technical plans, economic policies and policies on the organization and management of the economy and the management of society have not kept pace with the development of the political task.

The relationship among the party, which leads, the people, who exercise ownership, and the state, which provides management, has not been clearly established on each level or within each unit. Many party committee echelons and party organizations are still performing the work of state agencies and sometimes provide loose leadership of the work of these agencies; they have not directed their attention toward intensifying political and ideological educational activities, not set forth accurate tasks and objectives nor conducted good cadre work or inspections. The style of work is still the decentralized, handicraft style; the organization of the implementation of lines, policies, directives and resolutions is not thorough. The fact that each element of the dictatorship of the proletariat system is not fulfilling its function well and the fact that the relationship among these elements is not a tight, smooth relationship are weaknesses in the leadership of the party at this time.

The organization of the party is, in some respects, inefficient and lacking dynamism; little has been done to improve leadership and work methods. The number of deficient and average basic party organizations is relatively high; the number of deficient party members comprises a significant percentage. Many leadership cadres and management cadres do not have the ability needed to meet the daily rising requirements of the revolutionary task.

The principle of democratic centralism, the collective leadership system and self-criticism and criticism are not being fully practiced. A lack of responsibility, loose discipline and a lack of unity are relatively widespread. Misappropriation, bureaucracy, arbitrariness, authoritarianism and a lack of fidelity arising with the party in political power have been and are causing a number of cadres and party members to become deviant."

These are the matters which the 23rd Party Plenum reviewed and criticized in order to generalize our specific shortcomings in the North. Now, we must continue this analysis in order to evaluate the basic situation of the North and make an effort to review the experiences of the North in a more comprehensive and systematic manner. However, it can be said that, in general, the resolutions

of the Party Central Committee, from which I have presented a number of excerpts, accurately point out our shortcomings and the reasons for them.

The issue now is that we must reach conclusions so that we can take practical steps to implement the resolutions of the party and improve the situation. We must transform ourselves into activists, that is, after deeply discussing these matters and reaching conclusions, we must fully implement our conclusions, must transform all of them into organization, into action, must take effective measures to correct our shortcomings. This is the responsibility of each sector, level and person, this is something which everyone must do, do without waiting for someone else. We must realize that this is not being done well now; therefore, each and every one of us must adopt a positive attitude and show initiative and creativity in implementing the resolutions of the party and state and fulfilling his responsibility. I am in complete agreement with the opinion expressed by many comrades at cadre conferences and in the resolutions of the 22nd and 23rd Party Plenums, namely, that the Party Central Committee, the Political Bureau, the Secretariat and the Council of Ministers must reach practical conclusions concerning themselves, that is, must review their leadership, guidance and management, determine what their shortcomings have been and how they have discharged their responsibility; on this basis, they must improve their work procedures, improve the efficiency of their leadership and guidance and set a good example in correcting weaknesses and shortcomings.

On the basis of the shortcomings set forth in the resolutions of the 22nd and 23rd Party Plenums, I would like to particularly emphasize two points:

First, our party is the force which leads all of society, it is the nucleus, the nerve center of the dictatorship of the proletariat system, it is the moving force of the entire system; therefore, the weaknesses as well as the strengths of the party have a deep imprint upon and strongly affect each field of activity. In this spirit, we must attach full importance to correcting our shortcomings in the building of the party, must fully carry out the tasks of the party member stipulated by the Party Statutes and must fully implement the principles of organization set forth within the Party Statutes and in the resolution of the 23rd Party Plenum. We must make every effort to strengthen the leadership and increase the fighting strength of the party as pointed out by the 23rd Plenum of the Party Central Committee and be determined not to allow 40 to 50 percent of party members to be "average party members." If, in the building of the party, we allow such a high percentage of members to be "average party members," we will fall victim to "averagism" and be unable to fulfill the party's role as the vanguard unit of the working class, the moving force of the entire system, the nucleus and nerve center of the dictatorship of the proletariat. Therefore, one important point raised by the resolution of the 23rd Party Plenum is that we must expel poor quality members from the party. Deficient party members must be educated; however, we must establish a deadline and if, by this deadline, they have not changed for the better, they must be expelled from the party because they are not worthy party members. An effort must be made to educate "average party members" and improve their leadership and work ability; we must also establish a deadline by which they must make improvement so that the number of "average party members"

becomes increasingly small, so small that this problem can be considered virtually non-existent. Only in this way can we transform the majority of party members into active and good party members. Only in this way can the party be a strong moving force, a force stimulating the mass movement. In this spirit, it is necessary to attach full importance to correcting our weaknesses in the building of the party, necessary to closely link the building of the party, the acceptance of new party members and the teaching of party members to the completion of the task assigned by the party to the party member. To complete the task assigned him, each party member must meet the party's requirements in two areas: ethics and ability. Persons who are not faithful, do not thoroughly comply with the lines and policies of the party, are not persons who possess good ethics; persons who do not take positive steps to overcome every difficulty in order to successfully and creatively implement the positions, resolutions and directives of the party, are not persons who possess good abilities. Only by combining ethics and abilities is it possible to complete the assigned task--this is a necessity to the party member. Completing one's task in combat, in production, in construction, in every other field of work--this is an indispensable standard in our concept of ethics and ability. Therefore, the key issue is that we must rapidly correct our weaknesses in the implementation of the cadre line of the party, in everything from the elementary and advanced training of cadres to the promotion, assignment, commendation, discipline and management of cadres. As stated in Political Bureau resolution 225, only by doing this well can the party provide good leadership and the state and the mass organizations operate well. Because, as the leaders who preceded us said and as Uncle Ho frequently reminded us, the cadre determines the success or failure of each job; once a correct political line has been established, organizational work becomes the determining factor and, within this work, the cadre plays the decisive role.

Secondly, with regard to our viewpoint, regard to how we view the new and the progressive for the purpose of shedding light on the old, trying to abolish it and improving our work, it must be recognized that we are still rather strongly bound by old viewpoints. This is one reason why we have not been able to build a correct economic management system and why we do not have a corps of skilled management cadres. One important shortcoming of our's in economic management and economic work is that we have not applied the various economic laws correctly.

The objective of socialism is to constantly improve the material, cultural and spiritual lives of the working people and their life as the masters of society, the masters of nature and the masters of themselves on the basis of a system of production employing an increasingly high level of technology. To accomplish this, we must know how to apply and implement the fundamental economic law of socialism well. In addition, we must know how to apply the other economic laws of socialism, beginning with the law of planned and balanced economic development and then the other laws, such as the law of continuously raising labor productivity, the law of distribution in accordance with labor, etc. At the same time, we must know how to apply the law of value. The law of value is an economic law of commodity production. In the socialist system, it still plays a role; therefore, we cannot give light attention to or ignore it.

It is truly incorrect--and, in addition, not permitted by the party, the state or the people--for us to engage in economic activities without taking the various economic laws into consideration, for us to work in any way we see fit, for us not to calculate economic returns, for us not to consider what the economic benefits of our actions will be and, consequently, what the political benefits will be, not to consider how the everyday lives of the people will be benefited and then to do something which is contrary to economic and political requirements, do something in a haphazard manner, etc.

Our shortcomings in economic management in the recent past are evident in several areas: we have not given full attention to the economic laws, the failure to practice cost accounting and we have not calculated economic returns. Our serious shortcomings in economic management can be summarized in three points: management of the administrative-supply style which gives too little attention to the returns from and quality of our production; the decentralized and divided method of organization of small-scale production; and a bureaucratic style of work which is divorced from reality, remote from the masses and does not uphold the right of collective ownership of the people. It can be said that these three shortcomings have become so widespread and lasted for so long that they have become maladies in the economic management of the sectors, levels and basic units, maladies in the constituent elements of the management system, from planning and management policies and regulations to the organizational structure and work style of the apparatus, to the methods of thinking and working of cadres and personnel.

The slowness to improve economic management has had adverse consequences in many areas, exacerbated a number of negative economic and social phenomena and prevented us from making greater progress and recording greater achievements in the North. Because our achievements have been limited, our ability to support the South has also been limited as a result of which, now, in the face of the new task of the entire country, that is, the task of the entire country advancing to socialism, we are underdeveloped in terms of management, we do not have an appropriate, new management system.

#### IV. Several General Observations

To conclude this part of my speech, I would like to review, in a general manner, the following several points:

1. The North fulfilled the two strategic tasks of the revolution, namely, resisting the United States for national salvation and building socialism. In the position of the party as well as the realities of the revolution, these two tasks were inextricably linked as seen in the slogan implemented by our people: "Produce and fight at the same time." The North, which devoted its entire strength and the sum of the fruits of the socialist system to the war of resistance against the United States, became stronger with each battle and constantly increased the economic and national defense potentials of the revolutionary base by continuing to build socialism and strengthening the socialist production relations even during the war in a manner suited to war time circumstances. The victory of the resistance against the United



States for national salvation was the victory of the entire nation, of the people of the entire country, of socialism, of the forces fighting for independence and freedom. The war of resistance against the United States for national salvation was the greatest challenge ever faced by the socialist system in the North. On the one hand, it negated an important percentage of the achievements which we had recorded and posed difficulties to socialist construction, difficulties which will take a long time to overcome. On the other hand, however, it provided an opportunity for development, provided a large stimulation to the dictatorship of the proletariat and the three revolutions in that it raised very high and very pressing requirements which demanded that we develop our capabilities in order to meet needs which, in normal times, could not even be imagined.

In the process of carrying out the two strategic tasks set forth by the party, the North and the South became as close to each other as the flesh and blood of a body. The North made very large contributions to the liberation of the South and the South made very important contributions in the defense of the socialist North. The achievements recorded in the North, which, of themselves, have been great achievements, are even greater when placed under the difficult, violent circumstances of the past 21 years. During these 21 years, there were only about 8 years of relative peace and this peace only existed in the North; in the South, we had to make every effort to carry out the task of liberating the South.

As stated in many of the party's resolutions, the causes underlying the achievements recorded in the North were: the line of our party was correct; our people are very heroic; the vast majority of cadres are dedicated, have been forged in practice, have been trained and educated and have markedly improved their political, scientific, technical and economic management qualifications; the North and the South relied upon each other, stood shoulder to shoulder and joined forces to complete the various revolutionary tasks; finally, we had international support and aid.

2. In the war of resistance against the United States for national salvation, the North, together with the South, excellently carried out the people's war line of the party and made a wide variety of innovations, thereby helping Vietnamese military art and Vietnamese military science on the basis of the viewpoint of Marxism-Leninism.

3. The North, together with the South, excellently carried out the foreign relations line of the party and gained many good experiences, thereby helping supplement, develop and concretize the foreign relations line of the party.

4. In its socialist construction, the North established the socialist system. In view of its overall forces--political, national defense, economic, cultural, ideological, and so forth-- it must be said that this is a stable and strong socialist system.

With regard to the economy, the North established the socialist production relations and constructed a number of the initial bases of large-scale production

in the course of advancing to large-scale socialist production. Although we are presently in the period of transition, this is not a system of large-scale socialist production and we must work very hard for two or three more 5-year plans; however, this system of production is not the small-scale production of 10 or 15 years ago. Small-scale production is still evident in the following areas:

--The material-technical base of socialism, which although it includes modern, centralized components, is, generally speaking, still weak; the majority of labor is still manual labor.

--The organization of production and the structure of the economy are still decentralized; economic sectors and economic areas have been formed slowly;

--The economic management system still embodies many of the methods of thinking, methods of working and habits of small-scale production.

5. In the course of the past 21 years, the North has encountered many difficulties. These difficulties will continue to exist for some time to come, exist while we are building and moving forward, and it will take many years of hard work to overcome them.

The causes of these difficulties were:

--First, they were caused by the war;

--Secondly, they were caused by the fact that our country is a backward agricultural country which is advancing directly to socialism;

--Thirdly, they were caused by our shortcomings in leadership and management.

In addition to the three causes mentioned above, it should be clearly realized that as the socialist revolution develops and attacks the last strongholds of the old, the backward--and this is very easy to understand--the non-socialist factors, negative factors and factors of a hostile nature which are being attacked react and offer resistance.

6. The course of the North in the socialist revolution, the course of socialist industrialization, which is based on the line and position of the 3rd Party Congress and was supplemented by subsequent Party Central Committee resolutions is a totally correct one. Today, it is the course which our entire country will follow to socialism. It is the course which the South will also follow to socialism. It is the course of the dictatorship of the proletariat, the course of simultaneously carrying out the three revolutions, the course of building the material-technical base of socialism and carrying out the socialist transformation of the non-socialist economic segments.

It can be said that, in the process of carrying out the party's line over the past 21 years, the North has been and is continuing to help discover the laws governing socialist construction and socialist transformation in Vietnam.

The basic experiences which have been gained concerning the dictatorship of the proletariat, the three revolutions, military affairs, security, socialist transformation, economic construction and management, ideology and culture, the building of the party, the state and the mass organizations, and so forth, our successful as well as unsuccessful experiences are of value to the entire country, are valuable practical and theoretical assets of our party and our people. In the socialist revolution in the South, the fact that certain jobs might have different stages of development and be performed better, more smoothly and in a somewhat different manner than they were performed in the North will be due, to an important extent, to the existence of the socialist North and the experience it has gained.

Of course, this in no way means that we can apply each experience gained by the North to the South in its original form. The situation in the South at this time is not only fundamentally different in certain respects from the situation in the socialist North at this time, but it is also fundamentally different in certain respects from the situation in the North when it entered the period of transition to socialism.

We must conduct research to fully assess each characteristic of the political, economic and social situations in the South and fully assess the aftereffects of the neo-colonialism of the United States and the decades of war in the South. Only by clearly understanding and fully assessing these matters can we exercise clear-sighted control in order to move the South steadily forward. Each experience of the North must be applied in a manner consistent with the actual situation in the South, not applied in a mechanical or rigid manner.

Attention must be given to the fact that, over the past 21 years, socialist construction in the North has been carried out under the very special circumstances of a fierce war and the partitioning of the country; several economic and social management positions and measures were established and implemented under these circumstances. Today, the overall conditions of the country have changed and, although the experiences of the North are fundamental in nature and very valuable, they must be applied in a flexible manner under the new conditions which exist. In the immediate future, we must, in the South, avoid being impatient and impetuous; it is of pressing importance that we make every effort to restore production, insure the regular, smooth operation of the economic apparatus, insure that efficiency and productivity do not decline and are raised above previous levels and stabilize the life of the masses. At the same time, we must conduct research and establish suitable requirements and stages of development for socialist transformation and socialist construction in the South.

As Uncle Ho said: "The blood of the South is the blood of Vietnam, the flesh of the South is the flesh of Vietnam"; the South is part of the entire nation, the socialist North is also part of the entire nation; therefore, the success of the North is a contribution, a success of the entire nation. The failures and shortcomings of the North are also not good for the entire nation.

Since the total victory of the resistance against the United States for national salvation and the liberation of the South, the unshakeable truth

mentioned above has become even more evident. The North and South relied upon each other in combat and are supporting each other in construction and sharing the experiences they have gained in order to rapidly, strongly and steadily advance the revolution of the entire country to socialism and work together to build an independent, unified and socialist Vietnamese fatherland.

## Part 2: The Task of the North in the New Stage

In the new situation and task of the revolution of the entire country, how must the North develop its role?

Having won total victory in the resistance against the United States for national salvation, the reunification of the country is being accelerated in all areas. The reunification of the country in terms of state administration will mark a new stage of development within which the entire country will undertake a common strategy, the strategy of the socialist revolution and socialist construction.

### I. The New Characteristics, the Advantages and the Difficulties in the Present Situation

In 1960, the 3rd Congress of the Party defined the three characteristics of the North on entering the period of transition to socialism. The revolutionary activities of the people of our entire country over the past 21 years have had an impact upon and changed these three characteristics, thereby leading to the present situation of the revolution throughout the country. In this new situation, let us first take a look at the general characteristics of our country.

The resolution of the 24th Party Plenum defined the major, general characteristics of the entire country as follows:

--"The entire country is at peace, independent and unified under the leadership of our party; the country has a dictatorship of the proletariat that has been tested and a strong alliance of workers and farmers that serves as the foundation of the United National Front and the revolutionary government of the people.

--The entire country is in the process of reorganizing social production from small-scale production to large-scale socialist production without experiencing the stage of capitalist development. The 30 years of war have left behind serious economic and social consequences. In the North, the exploiting classes have been abolished, socialist production relations have been established and the initial bases of large-scale socialist production and an independent, autonomous economy has been constructed. In the South, exploiting classes still exist, capitalism is somewhat developed, the private economy is still widespread, the economic system was once totally dependent upon imperialism and there are still remnants of feudal exploitation in the newly liberated areas. In the old liberated areas, the social system is of a popular, national

democratic nature but the economy has not been developed and heavy destruction was caused during the war.

--Our country is advancing to socialism in a situation in which the Lao and Cambodian revolutions have been and are winning great victories, the world system of socialism and the forces of national independence, democracy and peace in the world are becoming increasingly strong, the three revolutionary movements of the age are constantly developing and the political prestige and position of our country in the international arena are being heightened more with each passing day. The crisis of imperialism is becoming increasingly severe and imperialism is becoming increasingly weak."

With regard to the Lao and Cambodian revolutions, I want to say that we are pleased by the development of these revolutions and will continue to observe their development in the future. The revolution in Cambodia won total victory(11); in Laos, the revolution is nearing total victory by completing the tasks of the national democratic revolution. Naturally, the national democratic revolution under the leadership of a Marxist-Leninist party does not stop upon the completion of its task. We must observe and understand the stages of development of the revolutions of these two countries. The complete victory of the revolutions of the three countries of Vietnam, Laos and Cambodia will be a strong blow to the neo-colonialism of the United States and make a positive contribution to changing the balance of power in the direction of the revolutionary struggle in this region and the world.

Here, I want to review with you the major strategic withdrawals of the U.S. imperialists. The United States has three defense lines in the western Pacific. One defense line is the SETO bloc; the United States placed South Vietnam, Laos and Cambodia under the protective umbrella of this bloc and used the 17th parallel, Laos and Cambodia as the places at which it would stop the spread of the national independence movement and socialism. Of course, when conditions existed, they attacked socialist northern Vietnam and the entire socialist system in Southeast Asia. The second defense line is the western Mekong River defense line, which also includes some land lying to the east of the Mekong River; this line is designed to "protect" Thailand, a military base of the United States and "protect" the other countries in Southeast Asia against the revolutionary movement. The third defense line consists of the islands in the western Pacific. If the revolution is victorious in Southeast Asia, the United States will try to preserve this defense line, a line which would then extend from the South Korean peninsula, Japan and the Philippines to the Indonesian archipelago and perhaps even farther, to the Marianas. The victory of the three countries of Vietnam, Laos and Cambodia has not only smashed the first defense line of the U.S. imperialists, but also smashed the second defense line; the U.S. bases in Thailand are gradually being withdrawn and the revolutionary movement is developing as the United States looks for ways to maintain its influence in this country and block the revolutionary movement. We clearly see the prospect of the U.S. imperialists being pushed into a stagnated defensive position by the development of the revolution throughout this region.

On the basis of the three characteristics mentioned above, the resolution of the 24th Party Plenum pointed out: the North must continue to accelerate socialist construction and the improvement of the socialist production relations; the South must simultaneously carry out socialist transformation and socialist construction; the entire country must advance rapidly, strongly and steadily to socialism.

These new characteristics reflect the changes of historic significance in the revolutionary situation and have brought new forces, new and very large advantages to our people.

Economically, within the country's unified economy which is developing under a common project and plan toward a common economic structure based on the line of the party, we have the mineral-rich North which is advancing to large-scale socialist production with key heavy industrial installations, an experienced corps of cadres, and so forth and the South, which is rich in natural resources, has a developed and high quality economic infrastructure and rather important production forces, especially in agriculture and light industry.

In terms of the entire country, we have very basic advantages in our favor. These advantages are the correct line of the party; the heroism of our people; the dedication of our cadres; the natural resources in the North and the South which supplement each other and form an important economic strength; the stimulation provided by our great historic victory; and the existence of the socialist North.

We must recognize these advantages but, at the same time, we must also fully recognize the large difficulties we face, difficulties that will last for a long time. These include the destruction caused by the war in both zones of the country which will require much time to overcome and the serious consequences of neo-colonialism in the South. Carrying out socialist transformation, carrying out cultural and ideological transformation, eradicating the bad influences and decadent remnants of neo-colonialism, and so forth are very complex jobs. These difficulties also include the lack of modern material-technical bases and the low level of development of production throughout the country. They also include our lack of knowledge and experience in socialist construction, especially in the field of economic management. Although we began this work a few decades ago, we still do not have much knowledge or experience in this field.

With regard to international affairs, new and very large advantages have resulted from the virtually simultaneous victory of the revolution in the three countries of Vietnam, Cambodia and Laos and the strong development of the three revolutions in the world. In our international economic relations, we have many new advantages for strengthening our relationships of fraternal cooperation with the USSR, China and the other socialist countries. At the same time, speaking from the point of view of the entire country, the possibility exists for broadening our economic relations with many countries. Of course, this must be done in an organized manner and we must struggle and make many

efforts in this area in accordance with the foreign relations line of the party.

In view of the fact that the international position of our country and nation is constantly being heightened, this possibility is even larger. However, we must be aware of an important difficulty, namely, the existence at this time of temporary instability within the socialist system. Of course, in general our advantages in this area are many and very large.

## II. The Task of the North in the New Situation

Under the new circumstances which exist, the task of the North is to accelerate socialist construction while improving the socialist production relations under the central slogan at this time: "Everything for production, everything for socialist construction, everything for the prosperity and strength of the fatherland, the happiness of the people." Saying this in no way means that we will relax our vigilance in the areas of security and national defense.

The localities of the North must make every effort to implement the resolution of the 19th Party Plenum (which deals primarily with agriculture), the resolution of the 20th Party Plenum (which deals primarily with economic management), the resolution of the 22nd Party Plenum (on economic reconstruction and the start of economic development), the resolution of the 23rd Party Plenum (on building the party, strengthening the leadership role of the party, increasing the management effectiveness of the state and developing the collective ownership role of the people) and the resolution of the 24th Party Plenum (on the task of the revolution in the new stage).

We must rapidly complete the task of restoring the economy and beginning the development of the economy, which was set forth in the resolution of the 22nd Party Plenum. Our immediate tasks were set forth in the resolution of the 22nd Party Plenum; these tasks include:

1. We must perform the pressing jobs designed to accelerate the development of production, strengthen and improve the socialist production relations and improve economic management in order to achieve the result of raising social production and the production of each sector and economic unit to or above the highest level of production achieved in 1965 or 1971.
2. We must prepare for the 1976-1980 Five Year Plan and the 1976 plan (which will be a plan for the entire country); we must make preparations for building the new system of management. This work, which will be performed for the entire country, is designed to advance the entire country to socialism on an increasingly large scale and at an increasingly rapid rate.

The most pressing type of work we have was recorded in the resolution of the 22nd Party Plenum as follows:

"Rapidly healing the wounds of the war, making every effort to restore and develop the economy and develop the culture, continuing to build the material

and technical base of socialism, strengthening the socialist production relations, strengthening the socialist system in every respect, stabilizing the economic situation and the life of the people, strengthening the national defense system and making every effort to support the revolutionary struggle and build the liberated areas of the compatriots in the South."

The three main requirements raised by the resolution of the 22nd Party Plenum are:

"1. Mobilizing and organizing the social labor force to engage in production and construction in a spirit of intense enthusiasm, make full use of the capabilities and potentials of the economy, accelerate production and practice economy; raising the level of production of society and of each economic sector and economic unit to or above the highest level achieved in 1965 or 1971; endeavoring to rapidly increase the gross social product and national income so that national income accounts for the entire social consumption fund by 1975 and the accumulation of capital is begun by 1976; meeting the requirements of supporting the revolution in the South.

2. Strengthening and improving the socialist production relations in both the state-operated and collective sectors; overcoming the negative phenomena in economic and social life.

3. Strengthening the leadership of the party in state management and reorganizing economic management from the central to the basic level; resolving immediate problems well while effectively preparing for the long-term economic and cultural development plan."

Recently, the Standing Committee of the Council of Ministers reviewed the situation surrounding the implementation of the plan during the first 9 months of 1975 and found that we have done well in some areas, not done very well in other areas and even done poorly in certain areas. However, we still have 3 months in which to try to do better. In view of the present momentum of development, how will the projections of the Party Central Committee turn out?

The social product is projected to increase 31 percent in 1975 compared to 1974.

National income in 1975 is projected to be 25 percent higher than in 1974 (national income in 1974 amounted to 83 percent of the social consumption fund). If this level is reached, national income in 1975 will amount to 97 percent of the social consumption fund. This level falls short of meeting the requirements set forth in the resolution of the 22nd Party Plenum. However, it can be maintained that providing only 97 percent of the social consumption fund from national income is still good even though national income in 1975 will not amount to the entire social consumption fund. This is because the implementation of the 1975 state plan cannot be separated from the need to concentrate our efforts on liberating the South and because difficulties, such as natural disasters, have been encountered in the implementation of the 1975 state plan.



With regard to production capacity, many products might meet or exceed 1965 levels by a small amount: electric power output will double; coal output will increase by 14 percent; the output of machinery will double; phosphorus fertilizer output will triple; salt output will increase 27 percent; lumber output will equal the output of 1965; the ocean fish catch will equal the catch of 1965; salt output will increase by 5 percent; paper output will only equal 88 percent of the output produced in 1965; and cloth output will increase by about 4 percent. Slightly more grain was produced in 1974 than in 1965; however, the 1975 winter-spring crop was not a very good crop. Due to two natural disasters, the recent 10th month crop has also been damaged.

Labor productivity and the production costs of many products have not reached the highest levels of 1965 or 1971.

The restoration of the majority of enterprises has been completed. There are about 10 industrial enterprises which have not been restored yet. There are also a number of roads which have not been repaired. The restoration of the infrastructure of the economy of the North will take several more years. At present, there is unbalanced communications-transportation development not only in the communications sector, but in the general economy as well, that is, a lack of balance among ports, warehouses and means of transportation.

With regard to housing and matters pertaining to the everyday lives of the people, we face pressing problems, problems which we must resolve better.

To correctly evaluate our efforts and achievements in the implementation of the 1975 state plan, we must clearly recognize that 1975 has been the historic year marking the great victory of the war of resistance against the United States for national salvation. During the first months of the year, when favorable opportunities arose, the Political Bureau decided to concentrate all our intelligence, all our forces and all our means on winning total victory and completing the liberation of the South. The socialist North immediately and fully carried out this position by allocating much of its manpower, materiel and potentials to the frontlines and performing, in a very short amount of time, a very large volume of work which could not be taken into consideration in the 1975 state plan. This has naturally affected, to some extent, the effort to meet the norms of the 1975 state plan in the North and the effort to improve the lives of the people of the North. When evaluating and analyzing existing weaknesses and the reasons why we have not met the objectives or carried out the tasks set forth in the resolution of the 22nd Party Plenum, we must fully realize that we did exceed the objectives and tasks set forth in the resolution of the 21st Party Plenum, objectives and tasks which included a very large contribution on the part of the North. Today, because the entire country is independent, free and unified, we have countless new capabilities and new advantages in our favor for socialist construction.

To complete the tasks established by the resolution of the 22nd Party Plenum well, we must accelerate each area of our work; however, of decisive significance at this time is the need to concentrate our efforts on changing

the situation, on correcting our deficiencies and weaknesses at this time, especially those within agriculture, construction, communications-transportation and commerce in support of everyday life. These are four weak areas which we must make every effort to improve. If we do not perform the jobs mentioned above well, the economy will easily become more imbalanced.

In agriculture, as emphasized in the resolution of the 22nd Party Plenum, "we must provide firm leadership, accelerate production...in order to better meet the daily rising needs for food, raw materials for industry and agricultural products for exportation...and gradually and steadily advance agriculture from small-scale production to large-scale socialist production." We must perform the following several important jobs well:

First, we must comprehensively resolve numerous very important and pressing problems of agricultural production. There are a number of jobs which must be accelerated immediately, beginning with the project planning of agricultural and forestry areas in the North and the entire country, the zoning of areas and the initiation of specialized farming and intensive cultivation in order to develop the production of grain crops, industrial crops and livestock, develop the forestry trade, and so forth in the best possible manner.

Secondly, we must accelerate the improvement of farmland water conservancy systems. In the development of agriculture, there are some jobs which must be performed in a synchronized manner, an important one being the improvement of farmland water conservancy systems. We must set the target for ourselves of irrigating and draining 900,000 hectares of farmland, the majority of which is in rice growing areas, areas in which we are making every effort to achieve high yields, by the end of 1976, that is the first year of the 1976-1980 Five Year Plan, barring any major natural disasters. The improvement of farmland water conservancy systems is also a requirement that has been raised concerning the land under project planning, namely, rice growing areas. For rice, it is not only necessary to provide irrigation, it is also necessary to provide drainage, that is, necessary to prevent waterlogging. The effort to provide irrigation water for a number of industrial crops, vegetable and subsidiary food crops, fruit crops, and so forth, provide water for livestock, provide drinking water for humans, and so forth must also be continued in a number of areas.

Thirdly, we must accelerate the reorganization of agricultural production and the improvement of agricultural management in accordance with general project planning within each cooperative and within the scope of the district in keeping with the spirit of Party Secretariat directive 208. Since the conference in Thai Binh on the reorganization of agricultural production and the improvement of agricultural management in the lowlands and midlands and the conference on the reorganization of agricultural and forestry production and the improvement of agricultural and forestry management in the mountains and midlands, not very much has been done to perform the many very important jobs set forth by these conferences. This is a shortcoming which we must make every effort to correct. Through the campaign to reorganize agricultural production and improve agricultural management at the basic level and within

the scope of the district we must gradually improve production relations, build the material-technical base, improve techniques, introduce machines within agriculture and so forth so that production capacity and production relations within agriculture gradually become better suited to each other within each agricultural production unit.

Fourthly, we must review the various policies which provide incentive for agricultural production and the production of agricultural exports in order to supplement these policies. One fact very worthy of attention is that we exceeded the exports plan last year. This year, however, the review conducted recently showed that only a low percentage of the exports plan has been completed.

We must realize that we are in a new period, a period in which we must export goods in order to import goods. We must organize export operations well as this is the only way we can broaden our economic cooperation and relations with other countries, relations which include the matter of loans and the importation of technology to support socialist construction.

Fifthly, we must improve the agricultural management apparatus of the state on the central level, the provincial level and the district level. We must put an end to the present situation of unstable and somewhat stagnated organizations. This situation has lasted for many years. We must soon reach a conclusion concerning and initiate the reorganization of the district level. Concerning this effort, Party Secretariat Directive 208 raises the matter of expanding pilot projects and all localities are doing exactly this; however, it is now necessary to take more positive steps in this area in order to reach a conclusion at an early date and initiate the reorganization.

With regard to construction, we must look for every way to increase the rate of construction because we are still far from meeting the plan quota; we must put projects, especially key projects, into production on schedule while insuring that all projects are of high quality and correcting the problem of sloppy work on projects.

In the new situation, in conjunction with accelerating the construction of production projects, we must make every effort to step up the construction of the infrastructure and create the conditions for the development of the economy at present and in the years to come. Involved here are communications projects, ports, means of transportation, warehouses, etc. We must quickly improve the management system within capital construction, from investment plans and investment preparations to construction plans and the organization and management of construction and assembly work. Present investment preparations are very inadequate, inadequate in terms of everything from design work, the selection of construction sites, preliminary designs and estimates to technical blueprints, the preparation of manpower, building materials, and so forth, which do not result in the required rate or quality of construction. The various sectors and levels generally try to record many projects in their plans; however, when it comes time to build these projects, even very small projects, such as a small building to be used as

a shop to train vocational instructors and then train watch repairmen, they have great difficulty and do not complete these projects on schedule. Projects being improved are generally not synchronized with one another, consequently, many projects which are completed are put into use slowly. There is also a situation in which main projects have been completed but they lack electricity or water, do not have a sewer system or have one which is still under construction, and so forth; these projects lack a little of one thing or another as a result of which they are not completely finished. There are even projects, projects which you encounter practically everywhere you go, which are being constructed so slowly that the members of the Political Bureau consider the style of work at these places to be the "turtle style." One building has stood throughout one war of destruction and several years of peace, a total of 15 years and we still have not completed its construction. This is not to mention a couple of other projects on which we must spend time digging for bombs or projects for which friends are supplying equipment slowly or not in a synchronized manner. However, deserving of attention is that we could have done a better job on the projects that have been constructed and assembled, instead, we finished them very slowly.

The improvement of management within capital construction must encompass everything from the management of investment preparations. If it has not been designed, a project absolutely must not be recorded in the plan. Recording a project in a plan without having a design for it is a practice which is only designed to acquire the additional money for this project and, when the project is not constructed, no one is responsible; this amounts to one of the most serious kinds of the administrative-supply style of management. Even in cases involving the failure to organize construction in a prompt manner and the failure to fully execute contracts no disciplinary action whatsoever is taken! In the immediate future, we must implement the decision of the party and government concerning the reorganization of the construction sector, beginning with industrial construction and civilian construction, along centralized and specialized lines; we must improve our management and improve our design and construction capabilities. Here, it must be said in addition that, in this process of centralization and specialization, we must make full use of each force and not allow waste or slowness to occur.

In communications and transportation, we must quickly reorganize management and rectify our recent shortcomings; we must make every effort to fully utilize existing capacity in conjunction with accelerating the restoration and development of new capacity; we must rapidly unload ships in port and rapidly unload means of transportation and increase the coefficient of use of railroad, highway and water route means of transportation. At present, we not only have dozens of ships, but also railroad cars stagnated in the stage of bilateral agreement. The coefficient of the use of vehicles and ships is very low. The coefficient of the use of vehicles used to be roughly 30,000 ton/kilometers per year but it is now only one-half or slightly less than one-half of this. The reasons for this situation are many but, regardless of the reasons, the main thing is that we must improve organization and management in a very urgent manner.

A new problem we face is that of organizing railroad and water route communications and transportation between the North and the South and eventually organize a North-South civil aviation route. With regard to railroad lines, we must urgently complete, in 1976, those sections of rail line which have not been constructed and those sections whose construction has not been completed. To overcome the present gaps in railroad lines, we must replan and add to the warehouse system, increase our stevedore capacity, resolve the imbalance between transportation and stevedore operations and increase our capacity to repair and produce means of transportation.

In industrial production, we must increase the output and tightly control the product quality of the heavy industrial sectors as well as the consumer goods industries. We must fully execute all contracts between production enterprises and material supply enterprises or enterprises which consume finished products. We must provide a full and timely supply of finished and raw materials to enterprises and organize the marketing of products well. An effort must be made to put the management of labor, materials, and capital on a more regular basis in accordance with the requirements of cost accounting. We must soon reach a clear decision concerning the transfer of persons who are in poor health and have actually almost lost their ability to work from the production line to nursing facilities or to other jobs better suited to their health.

With regard to the standard of living, the commerce, service, production and construction sectors must coordinate well and try to make marked improvements in the daily diet and housing, improvements which every worker can see.

During the past several months, there have been very many difficulties and complaints in this area.

We must attach particular importance to insuring the quality of meals, especially between shift meals and supplemental meals for third shift workers. We must rapidly improve the organization and management of restaurants, dining halls and food stores. Determined steps must be taken to combat the overbearing attitude, favoritism and misappropriation which are still rather widespread and offensive to the people.

In socialist construction, because of the requirements of the struggle for independence and freedom, we had to devote our manpower and materiel to the effort to win victory and, because of the aftereffects of the wars of destruction, we have not brought about a new, historic change in the construction of the material-technical base of socialism. As a result, our people are, quite naturally, still encountering many difficulties in their everyday lives and we cannot improve their lives rapidly. Such is the case from the point of view of the overall situation; however, within specific areas, we can, if we fully concern ourselves with and make every effort to resolve the problems being encountered by the people in their everyday lives, still bring about very important improvements in the standard of living. We must coordinate these efforts with the building of the party, with strengthening the manage-

ment of the state and with combating elements who are lazy, bureaucratic, corrupt and immoral, unworthy elements who have harmed the relationship between the party and the masses, between the state and the people in order to successfully resolve the specific problems directly related to the lives of the masses. We must find good solutions to the grain and food problems, find a good solution to the problem of supplying grain and food in accordance with standards, in accordance with qualitative requirements and on schedule and not allow debts to go unpaid for months. We must improve the method of organization in order to reduce the amount of time spent waiting and lessen the problems posed to consumers, to manual workers, cadres and office workers.

Although we have not, generally speaking, brought about a change of a historic nature in socialist construction and although we must still overcome many difficulties, if we clearly explain this situation, the masses will understand it and readily support the positions and policies of the party and state concerning the standard of living; and, with each small victory achieved in the improvement of the standard of living, the confidence and enthusiasm of the masses will grow. Here, it is necessary to repeat the words of advice spoken by Uncle Ho: "We should not fear shortages, only fear unfairness; we should not fear poverty, only fear dissatisfaction on the part of the people."

If distribution is correct, fair and reasonable, if distribution is based on the socialist system of distribution, we have all the conditions needed to provide several good meals a day, insure that the people are not bothered too much by procedures and resolve the housing problem better. The present difficulties being encountered with housing basically involve the shortage of housing; therefore, every effort must be made to repair and build additional housing. However, even in the distribution of housing there are shortcomings which have resulted in inequities and posed complications to the people. Many mistakes in distribution have been ignored by a number of persons in charge at responsible agencies, persons who have not made every effort to rectify these mistakes in keeping with the spirit of the resolutions of the Party Central Committee and Political Bureau or the directives of the Secretariat and government; these persons have not promptly dealt with mistakes and the disciplinary action they have taken has not been strict.

At a time when such negative phenomena have arisen, persons on one echelon or another within our party who have been involved in cases of misappropriation or abuse of power have not been dealt with in a strict manner (this includes prosecution under the law which has not been prompt and has been allowed to drag on) as a result of which we have not had the sympathy of the people.

Although we are still poor and do not have much wealth with which to improve the standard of living, we can still resolve this situation in which the people are complaining and being bothered by procedures with what we do have if we guard against and correct each shortcoming and mistake that violates the interests of the people and adversely affects the relationship between the party and the people and the relationship between the state and the people and if we take prompt action against these violations. Facts have proven that,

under present conditions, at places where leaders and the agencies of the state concern themselves with matters pertaining to the everyday lives of the people, organize distribution well, resolutely struggle against misappropriation, waste, favoritism, authoritarianism, corruption and so forth and implement the policy of the party and state concerning the organization of life, the life of the masses is visibly improved and comfortable and the masses are both enthusiastic and confident.

In economic management, every effort must be made to put management activities on a regular basis and improve these activities in accordance with three closely related guidelines: intensifying labor discipline, implementing the system of responsibilities and implementing the manager system within the state apparatus; implementing the principle of distribution in accordance with labor and applying a number of levers which have the effect of providing material incentive for production; practicing true democracy and upholding the right of collective ownership of the working people.

Above, I discussed the types of jobs which are of a pressing nature. If, in this area, the organizations of the party and the persons in charge of the state apparatus on the various levels and in the various sectors clearly understand the situation and make every effort to mobilize and organize the masses well, we will, even if we do not completely perform these jobs, meet a major portion of the requirements set forth by the resolutions of the Party Central Committee. And, this will be an important victory which will conclude the period of the restoration of the economy and the start of economic development in the North in order to prepare for the implementation of a long-term plan throughout the country, the 1976-1980 Five Year Plan, and the 1976 plan.

Now, I will discuss the second type of jobs, namely, the jobs involved in preparing for the 5-year plan and the 1976 plan and building a new management system.

To begin with, it is necessary to accelerate the formulation of the 1976-1980 Five Year Plan and the 1976 plan for the entire country. While performing this work, we face a situation involving many difficulties, a situation similar to that faced by the North when it began the formulation of plans. We begin the formulation of the first 5-year plan for the entire country under conditions in which the South has not conducted complete investigations of its population and production capacity or conducted the other basic investigations. Moreover, the social base and production relations in the South have not undergone the initial stage of socialist transformation; this poses a major difficulty and obstacle in the formulation of plans. In particular, state management and economic management are very new matters to our comrades in the South. In view of these conditions, we must, of course, conduct research to determine how the 1976-1980 Five Year Plan and, in particular, the 1976 plan of the entire country should be formulated. The situation in the North and the situation in the South differ in certain respects: the North has experienced many long-term and yearly plans and the South is only beginning to operate under plans, moreover, it is beginning at a time when there is not

the stability needed to formulate plans. Thus, for which sectors, products, activities and balances will plans be formulated, for which sectors, products, activities and so forth will plans not be formulated? These are questions which must be carefully studied and considered.

Once the political line and the economic line have been established, the state plan is the second platform of the party. This economic line is expressed by means of long-term and short-term economic development plans. This line is also manifested in economic projects, area projects, sector projects, etc.

Because the state plan is the second platform of the party, the good formulation of this plan is a positive contribution to preparing for the 4th Congress of the Party. This congress will not only set forth the general line of our country's revolution and the line on building the party, but it will also present the norms of the 1976-1980 Five Year State Plan. The formulation of plans is a very complicated matter, especially under present conditions in which we cannot balance our economy solely through domestic efforts but must still rely upon foreign capital to a considerable degree. Plans must fully reflect the political line and the line on socialist industrialization in the new situation and must be formulated in an independent, autonomous spirit and on the basis of known natural resources, labor (including technical labor) and the other domestic production forces as well as known capabilities in terms of international cooperation and foreign capital and equipment. On the basis of these factors, we must establish a firm balance within plans between requirements and capabilities, be bold in our viewpoint and guidelines and dare to think and act; at the same time, we must maintain a realistic spirit and calculate the various balances in detail. The requirement of plans is that they result in balanced, smooth development and each plan must be designed to gradually increase the balance of our inherently imbalanced economy. Specifically, plans must establish a balance between requirements and capabilities, a balance between production and consumption, a balance between construction needs and initial preparations for construction, etc. In general, the major issues of the 1976-1980 Five Year Plan are fully overcoming each aftereffect of the war throughout the country, strengthening the forces of the economy, creating additional sources of capital for socialist industrialization and improving the standard of living of the people while preparing the premises and conditions for stronger stages of development in the following 5-year plan.

One very important objective in the 1976-1980 Five Year Plan is to rapidly improve, balance and match the equipment, machinery, materials and production capacity of existing production installations so that we can raise the productivity and efficiency of these installations.

The tasks mentioned above revolve around one point; namely, how can we insure that each person who can work, that is, the approximately 21 million workers of our country, has a suitable job, works with higher productivity, develops each natural resource and has an impact upon each work objective by means of using each existing type of tool, from the modern and semi-modern to the rudimentary, under the various forms of large, medium and small-scale



organization of state-operated enterprises and cooperatives, of the central and local levels?

To accomplish this, the 1976-1980 Five Year Plan must be a plan which reorganizes social production and develops the economy; it must not be an economic development plan in the pure meaning of the term, that is, a plan which increases economic growth at a certain rate on the basis of the existing structure and organization of production.

The plan must make full use of machine production installations, develop modern production installations and make full use of handicraft production installations for the purpose of creating the conditions needed to redistribute labor throughout the country and utilize the social labor force as highly as possible in order to create much social wealth and a high national income and, as a result, create a higher social labor productivity. Within the sectors of our economy, the industrial, communications-transportation or construction sectors, especially within the machine sectors, we can achieve higher labor productivity: each worker can annually produce products worth tens of thousands of dong. Within agriculture, we can also achieve high productivity; however, because of the method of operation within agriculture and the very large number of workers within this sector, labor productivity is still very low. In the South, 1 quintal of paddy only requires an investment of 4-5 mandays; in the North, however, 1 quintal of paddy requires an investment of 10-12 mandays. Naturally, this says nothing about the quality of these mandays; however, regardless of the quality, the investment of labor in agriculture in the North is still too high, consequently, labor productivity within agriculture is pulled down to a low level.

At present, although many persons achieve high labor productivity, because there is still much labor within society which is not being fully utilized, social labor productivity is low. Therefore, positive steps must be taken to resolve the problem of distributing, organizing and fully utilizing the social labor force. We must establish good coordination between machines and manual labor, good coordination among large-scale, medium-scale and small-scale operations.

The first and most important investment in resolving this problem well is the investment of labor.

It is also necessary to briefly mention the existing imbalance among the various areas in our country. This situation is related not only to the economy, but to the national defense system as well. Therefore, the redistribution of the labor force and population among the various areas is a very important and pressing matter. At present, the distribution of the population is imbalanced and the distribution of farmland and other factors is also imbalanced. For example, the Red River Delta has roughly 1 million hectares of farmland but a population of 12 million and the population density is 400 persons per square kilometer. Meanwhile, in the northeast and Viet Bac, there are vast agricultural and forestry areas, areas which have many possibilities and prospects for the development of industry, including both heavy

industry and light industry in industrial complexes of decisive importance on a nationwide scale; yet, the population density is only 60 persons per square kilometer.

The Nam Bo Delta has a population density in excess of 200 persons per square kilometer (the population density in the eastern region is slightly lower); however, zone 5 (which includes the east and all of the Central Highlands) has an average density of only 70 persons per square kilometer. If we consider only the Central Highlands, this region presently has 5.5 million hectares of land and a population of slightly more than 1 million for an average density of 19 persons per square kilometer. Therefore, it is necessary to redistribute labor and the population in order to develop agricultural, forestry and industrial capabilities which we have so far been unable to develop.

Only by redistributing labor in a truly positive manner is it possible to plan economic areas and population areas well, possible to coordinate the development of strategic areas and meet national defense requirements.

The plan must insure the development of heavy industrial installations while making every effort to develop agriculture, forestry, fishing, light industry and the food industry for the purpose of rapidly meeting the needs for grain, food products and consumer goods, the need for raw materials for industry and the need for export goods, including agricultural products, light industrial goods and even heavy industrial goods.

The plan must establish the target of visibly improving--not only in terms of the plan, but, most importantly, in reality--the standard of living of the people in the areas of food, housing, clothing, travel, education and health care, the most important areas being food and housing. Specific, suitable measures must be taken concerning different areas which have different conditions and requirements.

The 1976-1980 Five Year Plan and the 1976 plan are plans for the entire country; therefore, they must be based on preliminary projects encompassing the entire country.

At a time when there are inadequate foundations for planning in the South and we are involved in formulating and implementing plans for the entire country, which problems must these plans resolve for the South?

Perhaps the most pressing requirements of economic planning concerning the South are the need to resolve the problems of industry, the artisan and handicraft industry, agriculture, fishing and forestry on the basis of known and obtainable capabilities. Of course, there are certain problems which we must resolve with regard to raw materials, equipment and so forth; however, through a number of necessary investments, we can rapidly increase the social product and help rapidly increase national income. We must also resolve the problems of communications and transportation, especially rail and water route transportation. We must resolve the problems mentioned above in conjunction with providing jobs and resolving everyday difficulties for millions of persons.

Initial project planning in both the North and the South is a complex, difficult matter. Projects must be done over, they must be improved and supplemented many times. Why? As we know, the zoning of economic areas is very complex work requiring many years; for example, in the USSR, the zoning of economic areas has been underway for 20 or 30 years yet it is still necessary to make adjustments and additions. We are also zoning economic areas but our basic investigations have not been completed, consequently, we must proceed gradually. The zoning of an economic area is a project involving basic investigations and the application of science and technology, a project involving the formulation of economic plans for the purpose of achieving optimum returns, redistributing production forces and organizing the economy and conducting territorial project planning in large areas and within the territory of each province; at the same time, it is necessary to coordinate the central economy with the local economy and coordinate the economy with the national defense system. This requirement of coordination was raised many years ago. In the war, we clearly saw the coordination of the economy with the national defense system, coordination achieved mainly in the redistribution of production by sending production forces, the first force being manpower, to areas of undeveloped land and resources for the purpose of causing the economy to develop evenly among the various areas in coordination with the task of strengthening security and national defense zones well. In communications and transportation, the economy must also be coordinated with the national defense system and the same is true in the construction of industrial installations. Only by coordinating the economy with the national defense system is it possible to insure the acceleration of production, the development of the economy and support of the national defense system during normal times and possible to immediately defend the nation when necessary. All means of communications and transportation, all repair enterprises, production enterprises and so forth have the task of establishing this coordination. Thus, the coordination of the economy with the national defense system must encompass all aspects of the plan.

The jobs of coordinating the economy with the national defense system encompass economic project planning, the redistribution of production forces, the formulation of plans for the various economic sectors, the use of the forces of the army in production, etc. The army, an organized, disciplined force which can achieve productivity that is very much higher than that of the labor force outside the army, must have the responsibility of participating in economic construction and development.

The plan which we will formulate absolutely must be a plan designed to reorganize social production on the basis of a new structure of sectors and areas. All economic sectors and economic areas must advance to large-scale socialist production in accordance with a common plan and common projects.

At present, objective requirements demand that we move toward the establishment of a new economic management system, the general guidelines of which were set forth in the resolution of the 20th Party Plenum, that is, we must establish the socialist mode of business management and the methods of organization of large-scale industry to support the construction of the

socialist large-scale production economy, support socialist construction and support the lives of the working people. Socialist business is business which must yield high economic returns and earn a profit; as profits increase, so do economic returns. High returns are achieved from each dong of capital invested and this, in political terms, supports socialist construction. To accomplish this, we must eliminate the administrative-supply method of economic management. To establish the method of organization of large-scale production, it is necessary to overcome the method of organization of small-scale, decentralized, fragmented production.

The important areas of economic management are:

1. We must improve planning methods beginning with the formulation of the 1976-1980 Five Year Plan. The plan is the center of the economic system, the plan must be the second platform of the party, the product of the combined application of the economic laws of socialism with appropriate attention to the law of value; within planning, we must know how to apply the various commodity-monetary relations. At present, the State planning Commission is conducting a review of the 20 years of planning of the Democratic Republic of Vietnam. We must accelerate this work in order to make basic improvements in planning at an early date.

2. We must closely coordinate the plan with the various management policies and regulations within a unified system so that they have an impact in the same direction on the basis of correctly applying the various economic laws in a manner consistent with the position and impact of each law. It is necessary to re-examine, amend and supplement or issue and properly implement numerous management policies and regulations and increase the impact had by levers in order to provide incentive for production.

Each policy and regulation on production and distribution must thoroughly implement the socialist mode of business, truly implement the system of cost accounting, not simply bookkeeping procedures. The administrative-supply style of management must be eliminated. Particular attention must be given to the price policy in order to provide incentive for production and the grain policy in order to provide incentive for higher labor productivity and reduce production costs and, on this basis, improve the standard of living of the worker.

These policies stimulate production and stimulate cost accounting. The wage and personal income policy must reflect the principle of distribution in accordance with labor. Distribution in accordance with labor is also an economic law of socialism.

A fundamental requirement of the new economic management system is, on the basis of adhering to the state plan as the center of the system, to truly implement the cost accounting system at all basic economic units, production organizations and business organizations. To accomplish this, we must lay the foundations and create the conditions for cost accounting. These foundations and conditions are:

- a) Reorganizing the production of each enterprise and each sector so that each enterprise has a production task and product which will remain stable for a relatively long period of time, has means and materials matched and balanced with its assigned task and is supplied with materials and markets its products in a smooth-flowing manner so that the enterprise's processes of reproduction is continuous and stable.
- b) Improving enterprise planning so that the methods of formulating plans, the contents of plans, the methods of managing the implementation of plans and the methods of evaluating the completion of plans inevitably lead to and demand cost accounting.
- c) Improving and implementing several management policies and regulations which are closely linked to the cost accounting system in order to provide incentive for and compel the enterprise to practice cost accounting; of prime importance are the policies on prices, wages, profits, credit and economic contracts.
- d) Establishing and implementing a system of advanced average economic-technical quotas and standards, the main ones being: quotas and quota management regulations governing the consumption of materials and the stockpiling of materials; quotas and quota management regulations governing the use of equipment capacity; labor quotas and quota management regulations; and capital construction quotas and quota management regulations. We must gradually establish and closely inspect commodity qualitative standards. To perform this work, it is important that we try to equip enterprises with weighing, measuring and counting devices.
- e) Reorganizing the economic information system from the prompt recording of initial data and the unification of statistical and bookkeeping procedures at installations to the integration of information on the upper level in order to provide accurate, reliable information for the practice of cost accounting.
- f) Establishing the task, authority and responsibility of the enterprise in such a way that the enterprise is truly given the status of an individual under the law, independence in production and business and financial responsibility so that it can implement cost accounting.
- g) Fully implementing the enterprise manager system in order to have someone who officially and truly represents the enterprise on a regular basis, undertakes the enterprise's status as an individual under the law and has authority and responsibility concerning the returns from the enterprise's activities and its implementation of cost accounting.

We cannot be perfectionists and demand that all the foundations and conditions mentioned above exist before implementing cost accounting. While establishing these foundations and conditions, we must immediately begin the full implementation of cost accounting and then gradually improve the cost accounting system.

3. We must reorganize the management apparatus from the central to the basic level in order to meet the requirement of coordinating management by sector with

management by territory. This work is now underway. This work must reflect the principle of democratic centralism in the economy. Improving the organizational structure of the ministries is a very important job. At present, the ministries have not made many improvements in this area because enterprises and federations of enterprises are in the stage of formation. We must have a clear concept of the role played by the ministries. State economic management involves economic administrative management and, at the same time, business management. The installations and corporations are business units under the cost accounting system. State management fulfills three functions: administration, education and economic management. Therefore, it is impossible to separate economic management from state management. With regard to the organizational structure of the ministries, there is presently a situation in which many ministries are establishing additional departments and internal organizations at a time when new statutes are being formulated and implemented. Such unilateral action is not permitted. The statutes of the ministry must be established on the basis of the task and function of its organizations. These statutes must not violate the principle of allowing the enterprise or the corporation and federation of enterprises to be organizations which have appropriate production and business independence and are responsible to themselves. Of course, there are still certain matters which must be researched; however, it is clear that a situation exists now in which the statutes being formulated by the ministries are only of a purely administrative nature, they have not been closely linked to discussing and actually reorganizing the production and improving the management of the sectors of which the ministry is in charge.

We must reorganize the structure of the ministries, sectors and local governments. Under the former organizational law and statutes, the responsibility of the various levels of state government in economic management was not full nor consistent with the actual requirements of economic development. Now, however, the local government manages the economy within its locality, which includes that portion of the economy managed by the locality and that portion of the national economy within the locality. The people's council, the governmental organization of the locality, naturally has its own responsibility.

All matters pertaining to this new organization must be restudied.

We must improve work procedures, fully implement the manager system and the system of personal responsibility and heighten labor and work discipline. This personal responsibility also includes responsibility for materials. In this area, we are in a situation in which discipline is lax, responsibilities are not clearly defined and we are not fully implementing existing regulations.

4. We must increase the effectiveness of the entire management system, from the state plan, policies and regulations to the organization of management in order to reorganize social production and create the conditions for it to advance to large-scale socialist production. We must efficiently redistribute production capacity and the labor force on a nationwide scale under a common nationwide project in order to cause the socialist economy to

develop rapidly and steadily. Reorganizing production on a society-wide scale includes:

- a) Redistributing the various production forces for the purpose of utilizing the labor force, work tools and work objectives in the most efficient manner possible throughout the country as well as within each sector and area and develop the resources of the country well;
- b) Redistributing social labor and assigning an appropriate labor task to each collective and each worker so that everyone who can work has a job and achieves increasingly high productivity;
- c) Establishing a new and efficient economic structure consisting of the structure of the various sectors and economic areas of the country, the state-operated and collective economic segments, the portion of the economy directly managed by the central level and the portion directly managed by the locality and all four areas of the reproduction process: production, distribution, circulation and consumption;
- d) Establishing, together with forming the new economic structure, correct economic relations which conform to laws among sectors, between sectors and areas, between the central level and the local level and between the state and the various types of basic economic units, thereby displaying the superior nature of socialist production relations;
- e) Establishing good economic relations between our country and the fraternal countries, between our country and the other countries.

The reorganization of production consists of the same elements (with the exception of foreign economic relations) and must be carried out well for each economic sector (industry, agriculture, construction, communications, commerce, foreign trade and so forth) and each territory.

Within each basic unit, state-operated enterprises as well as cooperatives, the reorganization of production consists of the following: establishing the efficient scale of the unit in a manner based on economic and technical standards; correctly establishing the production task of the unit, a task which must reflect specialization; organizing cooperation and federation in production within the sector and with other sectors; efficiently organizing the production line on the basis of advanced technical regulations; coordinating labor, work tools and jobs; establishing balance between material means and the assigned task; establishing correct economic relations with related economic units with particular attention to establishing good relations in the areas of the supply of energy and materials and the marketing of products.

In view of the above, the reorganization of social production throughout the country as well as within each sector, area and installation is a vast and complex job, a job which demands that we make coordinated use of all production forces and production relations. To perform this job, we must have thoroughly researched plans suited to each sector and enterprise.

It is not very difficult to set forth, as I have done, the general matters pertaining to management; of importance, however, is the need to have specific matters researched and explained by a specialized organization which has the required ability and can mobilize the forces of the various sectors and echelons to cooperate with one another under the close guidance of the party and the state, of the Political Bureau, Secretariat and Standing Committee of the Council of Ministers. On this basis, we must gain experience in order to establish a new system of management. This is a major issue, a general issue which no subcommittee or organization can undertake by itself. It demands cooperation, a very high spirit of responsibility and a scientific organization and work procedures.

Thus, I have not presented all of the tasks of the North in the new period. These tasks have been set forth in the resolutions of the Party Central Committee. Here, it must be said in addition that the resolutions of the 22nd and 23rd Party Plenums deal with many matters; however, many agencies and cadres have not studied or carefully discussed these resolutions in order to apply them well.

At present, there are very many types of jobs which we must perform, perform immediately; without skillful organization, we will perform these jobs in a sloppy manner. In the face of the many demands of the situation and in the face of these jobs of a very urgent nature, the guidance provided by each locality, sector, ministry and department must be very clear and very good in order to smoothly coordinate each job, coordinate each job in such a way that we are able to perform pressing jobs, long-range jobs and key, central jobs while not forgetting the other jobs which must be performed. The decisive factor in these jobs is cadres: party cadres, state cadres, the cadres of the mass organizations, the cadres responsible for economic management, etc. Therefore, the training, assignment, promotion and management of the corps of cadres in accordance with the cadre policy and line set forth in the resolution of the 23rd Party Plenum are a very important issue. The resolution of the 23rd Party Plenum is a resolution which deals with the entirety of party building; however, within it the cadre issue is still a very important factor. This factor has not only been dealt with in the resolution of the 23rd Party Plenum, but also in Political Bureau resolution 225. We must coordinate the good implementation of both of these resolutions. How well the resolutions of the Party Central Committee on cadre activities are implemented is a measurement of the work of each sector and level as well as our entire state.

## Conclusion

In the new situation and in the face of the new task of the revolution throughout the country, each viewpoint, thought and action of our cadres and party members in all fields of activity and in everyday life must undergo a positive, revolutionary change, that is, cadres and party members must be responsive, their thoughts, viewpoint and actions must be consistent with the new period, not be the thoughts, viewpoint and actions of periods past. The situation has changed, the revolutionary task is larger and the characteristics



controlling the situation and task as different, consequently, the way our cadres and party members think, act and view matters must also change and must, in particular, encompass the following four important points:

1. It is necessary to heighten the vanguard role and the spirit of responsibility of the communist party member in the new situation, in the new period of the revolution, and be determined to move forward and display the revolutionary heroism displayed in the resistance against the United States for national salvation in our socialist construction, our production activities and the management of the economy. We must make full use of the very large advantages resulting from the great historic victory of the resistance against the United States for national salvation in order to generate tremendous enthusiasm, generate a new revolutionary atmosphere among our people and within our party; we must make full use of these advantages in order to develop our activities and rely upon these advantages to overcome our difficulties, rectify our shortcomings and move forward. This is a very important point.

2. We must immediately begin taking practical steps to develop upon our strengths, rectify our shortcomings and complete tasks in an effective, outstanding manner.

The standards of the party member and cadre revolve around whether he completes his task or not and whether or not he completes his task in an effective manner. Working in an effective and efficient manner, this is the most reliable manifestation of a spirit of responsibility to the party and the people. Debate and discussion to determine the reasons for things are necessary as is discussion designed to clarify matters. However, discussion must have the objective of reaching conclusion; reaching conclusions must have the purpose of putting the conclusions reached into practice, into action. Once a matter has been thoroughly discussed, it is necessary to reach a conclusion concerning it; once a conclusion has been reached, action based on this conclusion must be initiated. A conclusion cannot be reached if dissimilar opinions are still held as this only leads to problems and the inability to take action.

Empty complaints and criticism which do not result in constructive contributions are not permitted. We must combat the habit of placing blame on others.

Working in an urgent, concise manner with a high sense of organization and discipline, this is the workstyle we must have in the new situation. We must combat every manifestation of procrastination, doing as one sees fit, decentralization and the lack of discipline. The discipline referred to here is discipline, in general, that is, discipline within the party, within the state agency, in the economy, in work, discipline in specific agreements and contracts. The practices of signing contracts but not executing them and not taking action, or not taking action for a long time, on the results of arbitration of cases involving the failure to execute contracts must be stopped. In cases deserving of commendation and praise, we must take rapid

action; decisive, rapid action must also be taken in cases involving disciplinary infractions and violations of the law. Only in this way can we manifest the effectiveness, strictness and fairness of our discipline.

3. We must truly express the independent, autonomous viewpoint in the positions concerning and the practical activities of socialist construction, especially in the present situation when international relations and economic cooperation are not based on unilateral aid as they once were. We must display a high spirit of independence and autonomy, develop the intelligence and strength of the Vietnamese who fought bravely and won glorious victory, develop the rich resources of our entire country, develop the abundant labor of our people, develop the spirit and abilities of our corps of management cadres, leadership cadres, scientific-technical cadres and manual workers and encourage creativity and innovations on the part of everyone so that everyone works in an independent, autonomous spirit.

At present, we are establishing international cooperation on the basis of a division of labor based on the natural resources, labor and technical capabilities of our country in order to contribute to world trade. This is a two-way street. It must be remembered that we must repay the loans we receive now when they become due; if interest is due on them, interest must also be paid. We will surely need very much more foreign capital; therefore, when we accept loans, we must think about repaying them, think about what we must produce so that we can continue to build our country while repaying our debt to foreign countries. International cooperation absolutely must be a two-way street. Even international cooperation with the socialist countries based on proletarian internationalism must also be based on the principle of uniting closely with, supporting and helping one another in the spirit of comradeship and is a two-way, not one-way, street. In the immediate future, we must make very many new efforts to establish good international cooperation; however, we must also realize that we now have many more capabilities for performing this job well.

4. Finally, there is one matter which must be repeated, namely, the matter of learning, of improving our abilities. For a long period of time, we have been slow to train the corps of cadres although we have made many efforts and recorded many achievements in cultural and educational development. A look at our corps of management cadres shows that the majority of these cadres are "new recruits." They have been assigned to management jobs by the party and learn while on the job. Now, however, the national economy is developing and becoming involved in modern science and technology, we must have a corps of cadres who possess all the necessary academic, scientific, technical and economic management qualifications. As a result, we must provide farsighted training over a period of many years. Our corps of management cadres has not received systematic training in theory or practice. This is a shortcoming of leadership; it is also an important point in our economy. As a result, there are many shortcomings in our management. Within management, the role played by the enterprise director and the cooperative head, especially the heads of large-scale cooperatives, is very important. These management cadres must receive systematic, planned training and their abilities must

constantly be improved. We must reach the clearcut decision that the training of cadres be inspected and reviewed. Once a year or once every few years, we must review these cadres to determine whether or not they have studied, how they have studied and whether or not they have made progress in their work and, on this basis, determine whether or not they have completed their task, etc. Although examinations are not necessary, inspections and reviews absolutely are necessary. Being unwilling to study or too lazy to study reflects a lack of desire to make progress. Without studying a person cannot properly perform his job because his abilities are underdeveloped and because he does not possess the necessary knowledge. The circumstances surrounding revolutionary activities in past years provided us with few occasions to train cadres and provide them with all the necessary knowledge. Now, we must rapidly correct this deficiency. In addition to general knowledge, we must have knowledge of our occupation and profession. Therefore, we must have cadres study, must train cadres and, in particular, must select young cadres for training. In the shift from war time to peace time, many soldiers and assault youths have transferred to other sectors or returned to their localities. We must select outstanding persons among these people for long-term training so that, in a few years, we have a corps of management cadres who are not "inexperienced" but have a knowledge of the management profession based on knowledge of science and technology, a corps which is loyal to the revolution and has experience in production and combat. With regard to older cadres who cannot partake in systematic training, we must adopt a suitable program and also conduct inspections--this point is discussed in Political Bureau resolution 225--supervise and compel cadres to study. Once every few years, it is necessary to provide remedial training so that cadres always have new knowledge and, as a result, have a new spirit and momentum and continue to move forward. Without this remedial training, their knowledge will become outmoded in a few years and the corps of cadres will no longer be effective.

This is an important task which the resolution of the party has set for us and for those who are younger than us, for the generations of the future who will inherit the undertaking of the great Uncle Ho, so that we possess the abilities and spirit to successfully build socialism and communism in our beloved, heroic Vietnam.

#### FOOTNOTES

1. "Van kien Dai hoi," [Congress Proceedings], published by the Central Committee of the Vietnam Lao Dong Party, 1960, Volume 1, pp 173-174.
2. Ibid., p 174.
3. Ibid., p 175.
4. V.I. Lenin: "Complete Works," Su That Publishing House, Hanoi, 1971, Volume 29, p 543.
5. "Van kien Dai hoi," ...p 179-180.

6. Ibid., pp 182-183.
7. Ibid., pp 182-183
8. With regard to the bourgeoisie, this must be done, of course, by means of appropriation and nationalization under the forms of confiscations, conviscatory purchases, joint public-private businesses, etc; with farmers and handicraftsmen, it is achieved by means of collectivization and by upgrading small-scale, private ownership to large-scale collective ownership.
9. "Van kien Dai hoi,"...p 185.
10. This was the situation at the start of 1974; since then, the situation has improved, especially since the start of the campaign to "reorganize agricultural production and improve agriclutural management at the basic level in keeping with the advance to large-scale socialist production.
11. The Lao revolution has now won total victory and shifted to the socialist revolution.

- END -

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